

## Protests On Soviet Holiday

### Dissidents March In Moscow, Block Moldavia Parade

By Michael Dobbs

Washington Post Service

MOSCOW — Protesters demanding an end to one-party rule disrupted Revolution Day festivities in the Soviet Union on Tuesday, staging counterdemonstrations in Moscow and other cities and forcing the cancellation of a military parade in the southwestern republic of Moldavia.

As President Mikhail S. Gorbachev and other Soviet leaders reviewed the annual Nov. 7 parade by tens of thousands of soldiers and workers in Red Square, demonstrators elsewhere in Moscow carried banners criticizing the 1917 Bolshevik Revolution and calling for free elections.

The protests on the 72d anniversary of the revolution were a dramatic illustration of the more relaxed political climate in the Soviet Union as a result of Mr. Gorbachev's drive for *glasnost*, or openness. But they were also a reminder for the Soviet leader of the dangers posed by nationalist unrest and popular frustration with low living standards.

In the Moldavian capital, Kishinev, several thousand nationalists broke through police cordons, clambering over tanks and armored personnel carriers assembled for the start of the military parade.

A spokesman for the Moldavian Popular Front, an unofficial group that has called for greater autonomy for the republic, said that the Moldavian Communist Party leaders abandoned their viewing stand after the protesters burst into Lenin Square in the city center. The spokesman, Yuri Roskha, said that several demonstrators were injured and others arrested during scuffles with the police. The military parade was then abandoned.

Authorities in the Transcaucasian republics of Armenia and Georgia had earlier canceled their Revolution Day parades to prevent any incidents. In the Baltic republic of Lithuania, where separatist sentiment has been growing recently, police detained a dozen members of the Lithuanian Liberation League who tried to disrupt the annual procession.

In Moscow, about 10,000 marchers turned out for an unofficial parade organized by informal citizens' groups that have sprung up around the Soviet Union over the last two years. Truckloads of riot police sealed off Gorky Street, preventing the unofficial procession from approaching Red Square.

The rival Moscow parades did, however, pass within shouting distance of each other, offering an ironic commentary on the antagonistic political forces released by *perestroika*, Mr. Gorbachev's renewal drive. With its irreverent slogans and cheerful sense of disorder, the unofficial event almost parodied the official one.

The marshals wore red armbands in the official parade, blue in



Protesters in central Moscow carrying banners on Revolution Day that criticize the 1917 Bolshevik uprising and call for free elections.



Mikhail S. Gorbachev, the Soviet president, waving from a tribune in Red Square amid celebrations of the revolution's 72d anniversary.

## East German Cabinet Resigns as Authorities Urge End to Exodus

By Serge Schmemmann

New York Times Service

BERLIN — The East German government resigned Tuesday amid the crisis that has seized the state under the pressure of mass demonstrations and mass flight.

Wolfgang Meyer, appointed as government spokesman only hours earlier, announced to a hastily convened news conference that the 44-member Council of Ministers had decided to step down and to call on the Volkskammer, the parliament, to select a new government.

Reading a prepared statement, Mr. Meyer said, "The government turns to the citizens of the GDR in this politically and economically serious situation to exert all efforts to maintain all the functions vital for the people, society and economy." He appealed to East Germans who were still thinking of leaving to reconsider.

"Our socialist fatherland needs each and everyone," he said, as the flight of East Germans through Czechoslovakia exceeded 30,000 since Saturday and kept climbing.

Mr. Meyer spoke at the Politburo, until now the repository of real political power in the state, met late into the night on the eve of a three-day meeting of the policy-making Central Committee.

Rumors swept East Berlin that radical changes in the Communist leadership would be announced Wednesday, even a mass resignation.

Party officials and Western diplomats speculated that Egon Krenz, the new party leader, would promote Hans Modrow, the Dresden party chief who has a reputation as a progressive, to a key position in the leadership, along with Ginter Schabowski, the East Berlin party chief.

Seven Politburo members have already been dismissed, and at least three others — including Erich Honecker, the fallen East German leader — have lost their positions. On Sunday, Culture Minister Hans-Joachim Hoffmann urged the entire Politburo to step down.

For the first time, about 3,000 demonstrators marched up to the doors of the grim party headquar-

ters Tuesday, whistling, jeering and demanding free elections. There have been demonstrations in East Berlin on the seventh of every month since elections May 7 that were blatantly fixed by the party.

"Egon Krenz, we are the competition," the crowd chanted, in a

East German upheaval: Too much too soon for West? Page 3.

rebuttal of the party's claim to a "leading role."

As the total emigration of East Germans this year approaches 200,000 out of a population of 16.6 million, the migration is straining facilities in West Germany and draining services in East Germany.

To cope with the newcomers, the West German government announced a four-year, \$4.3-billion plan to build new housing.

Inside East Germany, the flight has aggravated a labor shortage that had already compelled the country to import laborers from abroad, mostly from Vietnam.

Health care is among the areas worst hit. Hospitals and clinics have reported losing up to 30 percent of their staff as doctors and nurses succumb to the lure of far higher pay in the West.

In Leipzig and Jena, soldiers have been drafted to drive buses and trams. The government was also reported to have put 300,000 retired people and 100,000 foreigners to work, including about 53,000 Vietnamese.

Unprecedented Move

The resignation of the government was an unprecedented move

See GERMANY, Page 3

## West Germans Dazed By Refugee Overload

By Ferdinand Protzman

New York Times Service

BONN — The tide of East Germans flooding through Czechoslovakia into West Germany showed no sign of ebbing Tuesday, border police said.

More than 30,000 East Germans had arrived in West Germany by Tuesday evening, police officials said. But they said that the large number of new arrivals made an exact running total impossible.

The mass exodus began early Saturday morning, when East Germany and Czechoslovakia agreed to allow East Germans in Czechoslovakia to cross into West Germany without special documents.

But the large influx of emigrants is straining West Germany's capacity to receive them, both physically and emotionally.

A spokesman for the West German border police at the frontier crossing in Schirnding, Bavaria, said that 200 East Germans were crossing from Czechoslovakia at his duty station every hour. New arrivals reported the line of cars waiting to cross was at least 2 kilometers (1.2 miles) long, he added.

The current emigrants are receiving a reception far cooler than the jubilant welcome given their countrymen just four weeks ago. While most West Germans sympathize with the reasons for leaving, they are worried that the new arrivals will soak up social services, aggravate the nation's housing shortage and flood the job market with cheap, skilled labor.

The 58 existing reception camps, most of them set up in September to accommodate thousands of East Germans who fled via the West

See WAVE, Page 3

## Hungary Votes No to Politics

By Henry Kamm

New York Times Service

BUDAPEST — The vast majority of Hungarians are using their new political freedom to stay out of politics.

The ruling party, which changed its name last month from Communist to Socialist, has since lost at least 690,000 of its 720,000 members. They used the freedom of choice offered when the party invited them to exchange Communist membership cards for Socialist documents by declining to do so.

Even so, said Istvan Degen, who heads the office of Rezo Nyers, the party president, "we are the biggest party in Hungary."

That is true. The other contenders claim smaller memberships. The resuscitated Smallholders Par-

ty, a major one before World War II, says it has 22,000 members. The Democratic Forum announced at its congress last month that its roster stood at 20,154.

The Forum, a party that emphasizes Hungary's nationalist heritage, is the first and most firmly anchored of the opposition groups that have mushroomed since the Communists' political monopoly began to wear thin two years ago.

Even officials of the former Communist Party expect the Forum to emerge as the largest in the first free parliamentary elections since 1947, due by next spring.

Attila Agh, a political scientist of the ruling party's Historical Institute, said he had counted 47

See HUNGARY, Page 2

## Kiosk

### UN Approves Americas Force

UNITED NATIONS, New York (Reuters) — The United Nations Security Council unanimously approved on Tuesday the creation of a Central American peacekeeping force, the first major UN operation in the Western Hemisphere.

The 625-member observer group is to prevent any nation from attacking a neighbor, verify that rebels are not launching raids across borders and make sure no aid is given to "irregular forces" such as the rebels in Nicaragua.

### U.S. Funds Rates Cut

Federal Reserve Board officials, concerned that U.S. economic growth may slow too sharply, cut short-term interest rates.

### General News

President Bush hopes the release of frozen Iranian funds will help free hostages. Page 3.

### The Spoils System

The spoils system of U.S. diplomacy is out of control, some say. Page 7.

### Business/Finance

Air France is to set up a leasing unit to buy its planes. Page 9.

### Crossword

Page 8.

## U.S. Leads Way to Weaker Global Warming Plan

By Glenn Frankel

Washington Post Service

NOORDWIJK, Netherlands —

Under pressure from the United States, Japan and the Soviet Union, an international conference on global warming approved a compromise resolution on Tuesday that refrains from setting firm goals for reducing carbon dioxide emissions, the major cause of the "greenhouse effect."

American environmental groups attending as observers accused the

Bush administration of sabotaging the conference.

"The president made a commitment to the American people to deal with global warming, and he hasn't followed it up here," said Rafe Pomeroy of the World Resources Institute, a policy research center.

After a long night of back-room negotiations, conference leaders acceded to demands that they drop a paragraph committing the industrialized nations to hold emissions

to the present level and eventually cut them by 20 percent.

Instead, the final draft merely acknowledges "the need to stabilize" emissions and notes that "many industrialized nations" believe such a goal should be reached by the year 2000.

It does not stipulate the level of emissions it wants stabilized, saying that setting the goal should be put off until a world climatological conference scheduled for next November.

Some scientists fear the phenom-

enon of global warming could eventually lead to the flooding of coastal areas and expansion of deserts.

Seventy-one countries attended the ministerial-level meeting, the first to deal solely with global warming.

Environmental groups said the compromise statement amounted to a step backward.

The compromise "must be regarded either as a failure of nerve or a cynical ploy," said Brooks Yeager of the National Audubon

Society, a Washington-based environmental group.

But William K. Reilly, administrator of the Environmental Protection Agency and leader of the American delegation here, insisted that the U.S. position did not contradict President George Bush's public commitment to "lead the world" toward solving the problem.

"We did not come here prepared to make a commitment to stabilize emissions by the year 2000," Mr. Reilly said.

## Rushdie, Despite His Isolation, Is in 'Good Spirits'

By Sheila Rule

New York Times Service

LONDON — As Salman Rushdie, the British author, nears the end of his ninth month in hiding under an Iranian death threat, a close friend says he met with Mr. Rushdie recently and found him in "good spirits."

Other friends who have talked to Mr. Rushdie by telephone describe him as "pretty cheerful," "talking extremely well" and "unafraid to continue writing, despite Ayatollah Ruhollah Khomeini's call to Muslims on Feb. 14 to kill the Indian-born writer and his publishers."

Mr. Rushdie, whose novel, "The Satanic Verses," was denounced by the Iranian leader as a blasphemous insult to Islam, has continued to speak out in book reviews and a poem.

Last week, The Independent newspaper printed a letter from the author in which he challenged a writer who said Mr. Rushdie had deceived his publishers over the meaning of certain passages in the book.

Nonetheless, as the ripple effect of the ayatollah's threat continues to be felt, including fresh death threats by Muslim extremists in Britain, the author is aware that he may have to conduct the rest of his life with extreme caution, some associates say.

Tariq Ali, the writer, said in a telephone interview that he had seen Mr. Rushdie "several weeks ago," at which

time "we had a very nice meal together far, far away from London."

He declined to be more specific about the meeting with Mr. Rushdie, who remains under heavy police protection. His whereabouts are still being kept secret although he is still believed to be in Britain.

Even Mr. Rushdie's wife, the American novelist Mariam Wiggins, does not know where he is, according to Mr. Rushdie's friends and her British publisher, Secker & Warburg. The couple's separation was announced in August, and in an interview with The Sunday Telegraph a month earlier, Ms. Wiggins spoke of their life in isolation.

She said she and Mr. Rushdie had been living in safe houses operated by British counterintelligence, had moved 56 times in four months and were never alone.

"I think he is in a relaxed mood," Mr. Ali said. He said Mr. Rushdie had called him on the telephone "many times" since he went into hiding, "although he clearly doesn't like being so private and all that gets on his nerves."

"But in general, he is in good spirits and laughing and joking and discussing everything going on in the world, as well as his own situation," he added. "He is busy working on a children's book, which he is very excited about and I think will be finished next month."

Granta, the literary magazine, recently published a 17-

line poem by Mr. Rushdie titled "6 March 1989" in which the author assailed his critics and vowed to continue writing. Blake Morrison, who until recently was The Observer's literary editor, said Mr. Rushdie had reviewed books, mostly fiction, for the newspaper every three or four weeks since going into hiding.

The Observer recently reported that Mr. Rushdie's publisher, Viking, had set a secret date for the publication of a paperback edition of "The Satanic Verses" and that Mr. Rushdie believed that to delay the paperback would be to give in to intimidation.

Bob Gregory, a spokesman in London for Viking, part of the Penguin Group, said that no date had been set but that one should not "read into that that we will or won't" publish a paperback edition.

In his letter to The Independent, Mr. Rushdie called "a lie" a passage in an anonymously written profile of Peter Mayer, chairman of Viking in New York, in which the writer said that Mr. Rushdie had been asked twice "what the now notorious Mahound chapter was supposed to mean" and that he had responded that it was "not terribly important to the plot."

The passages in "The Satanic Verses" that Muslim critics have condemned as blasphemous refer to a figure

See RUSHDIE, Page 2

## New Electronics Bug the Pentagon

By Molly Moore

Washington Post Service

WASHINGTON — The U.S. military, after spending billions of dollars on a new generation of sophisticated electronic equipment to protect

fighter and bomber pilots above the battlefields of the 1990s, is approaching the decade with systems that are years behind schedule, hundreds of millions of dollars over budget and unable even to meet threats of

years past, according to Defense Department and congressional documents.

There are serious technical flaws in new electronic defensive systems designed to be carried aboard virtually every major warplane, from the navy's F-14 Tomcat fighter and Advanced Tactical Aircraft to the air force's strategic B-2 "stealth" and B-1B bombers.

They threaten the military's ability to rely on them as planned in combat, records show.

The Pentagon has built many of its combat tactics around these high-technology black boxes.

These are designed to confuse or block enemy radars and trick anti-aircraft missiles, giving pilots and expensive planes a vastly greater chance of survival in combat zones, where the most dangerous enemy is likely to be an invisible electronic beam or pulse.

One of the most costly and controversial of these programs is a joint navy-air force electronic jamming system. It is scheduled to be installed in more than 2,000 new fighters and attack planes.

But, after 13 years of development, the latest flight tests showed that the system, costing an estimated \$9 billion, was "marginally operationally effective and marginally operationally suitable," according to a recently declassified navy report.

This system, called the Airborne Self-Protection Jammer, was lauded by electronics experts in the 1988-1989 edition of Jane's Avionics as possibly "the most significant U.S. electronic warfare system in the current decade."

Now, the Defense Department, under pressure from Congress, says it will kill the program next year unless the services make major strides in correcting its deficiencies.

The jammer program is at least four years behind schedule and may cost at least \$1 billion more than originally estimated, according to one Pentagon report.

In attempting to correct problems, the military has discovered an equally troubling problem: Some of its critical test methods and equipment are

See DEFENSE, Page 2

Dow Jones	The Dollar
Up 14.88	New York 1.3415
2,697.18	London 1.5883
	Yen 142.265
	FF 8.247



# 12 Pacific Nations Agree to Resist Protectionism

By Michael Richardson  
International Herald Tribune

CANBERRA — The United States, Japan and 10 other leading Asian and Pacific nations agreed Tuesday to work together as a lobbying group to press for changes in the global trading system aimed at resisting protectionism and sustaining free trade.

Concluding a three-day meeting on closer economic cooperation in the region, 27 ministers and cabinet-level officials from the 12 nations said they would use their combined weight to seek "a comprehensive and ambitious" outcome in the continuing Uruguay round of multinational trade negotiations of the General Agreement on Tariffs and Trade. The GATT talks are scheduled to end by December 1990.

The GATT negotiations, which are crucial to the future of world trade in goods and services, have been disrupted and delayed by disputes, particularly between the United States and the European

Community over agricultural subsidies.

While some analysts doubted that the diverse group of Asian and Pacific nations meeting here could operate effectively as a lobbying group, officials in Canberra said the decision to work together to resist protectionism could help overcome obstacles in the Uruguay round.

The conference here, which was aimed at creating a new Asia-Pacific economic grouping, fell short of agreeing on an organizational structure that was acceptable to all its members.

"It is quite clear that we haven't completed all of the decisions that we hope we will in order to improve economic cooperation in the Pacific," said James A. Baker Jr., the U.S. secretary of state. "But this is a very, in my view at least, a very clear and substantial step forward towards the improvement of international economic relations generally and it should be welcomed worldwide."

Areas of agreement appeared stronger on generalities than specifics.

The 12 agreed to improve the collection and sharing of data on regional economic trends, and to study how to improve investment and technology transfer between the richer countries, such as the United States and Japan, and some of the region's developing nations.

As expected, the Asian and Pacific leaders, who were meeting for the first time as a group, agreed to meet again in Singapore in mid-1990 and in Seoul in 1991.

The group put aside, for now, the contentious issue of what to do about admitting China, Taiwan and Hong Kong to the group.

In a joint statement, the ministers said that senior officials from the group would consult regularly in Geneva on the progress of the GATT negotiations.

Trade ministers from the group are to meet next September to discuss the emerging results and consider how to unlock any obsta-

cles to a comprehensive and ambitious outcome of the multilateral trade negotiations.

The ministers are to meet in Brussels in early December 1990, on the eve of the concluding session of the round.

Collectively, the 12 countries — Japan, the United States, Canada, South Korea, Australia, New Zealand, Singapore, Indonesia, Thailand, Malaysia, the Philippines and Brunei — produce nearly half the world's output of goods and services and account for 37 percent of global exports.

They also encompass a cross-section of developed, developing and newly industrialized economies.

Garth Evans, the Australian foreign minister who presided at the meeting, said: "A key theme which has run through all our deliberations in the last two days is that the continuing economic success of the region, with all its implications for improved living standards for our people, depends on preserving and improving the mul-

tilateral trading system through progressive enhancement of, and adherence to, the GATT framework."

Ministers from Japan, the United States, Canada and the European Community are to meet in Hakone, near Tokyo, next week to review the Uruguay round.

Seichi Kondo, a spokesman for the Japanese delegation, said that Japan "fully and wholeheartedly" endorsed the decision here to join forces to promote open trade.

It was acknowledged, said Mr. Evans, that "our regional economies would be better placed to show such leadership if we can continue the recent trend of reducing impediments to trade among ourselves, without discriminating against others."

Carla A. Hills, the U.S. trade representative, told the Canberra meeting on Monday that the Uruguay round is "the last best hope" for preventing a global slide into protectionism and managed trade.

## China Shuts Or Limits Millions of Enterprises

By Sheryl WuDunn  
New York Times Service

BEIJING — In one of the stiffest nationwide crackdowns against nonstate enterprises, China has closed more than a million industrial enterprises in the countryside and forced the demise of 2.2 million private enterprises, the government announced Tuesday.

The measures also called for several hundred thousand rural enterprises to halt production or shift product lines to suit state requirements and cut \$2.16 billion in rural means and cut \$2.16 billion in rural means and cut \$2.16 billion in rural means.

The government has often alluded to the campaign to control rural and private enterprises, but only Tuesday indicated the extent of the measures, which it billed as part of the economic restructuring program that began throughout the country more than a year ago.

Many rural enterprises were known to be ailing under the austerity program, especially as the government tightened credit, virtually stopping it in some regions.

The number of closures of rural enterprises represented 5 percent of the total in China.

The government has sent mixed signals in its policy toward private and collective enterprises, and it was not clear whether the announcements Tuesday reflected a significant shift in policy.

Even some Western economists recognize that rural enterprises, many of which are involved in light industry, making such products as carpets, buckets or clothes, sometimes were inefficient and wasted the country's energy, transport space, and raw materials that could have been used to develop the nation's infrastructure.

The government also has severely criticized many private businesses for tax evasion, smuggling, and profiteering.

Nonetheless, the private and rural enterprises constitute the most dynamic sector of the economy and Chinese officials are concerned that further pressure on them could exacerbate unemployment.

The announcement about private enterprises, also reported in the official English-language China Daily, said that the government would continue to support a closely supervised growth of the private sector to allow some people to "become prosperous first through honest labor and lawful dealings."

Neither the news agency nor the newspaper released the number of people who were put out of work as a result of the closures.

Last week, the official press reported that China's rate of unemployment could double to 4 percent by the end of the year from 2 percent in February.

The austerity program has aggressively targeted both rural industries and the private sector. As of last year, there were 14.5 million small businesses run by individuals or families in the cities and the countryside. Rural enterprises, which numbered more than 18.8 million last year, are overwhelmingly owned collectively by a township, county or village, or by a group of individuals.

In a three-part series on rural enterprises, the news agency said that their closure was the "result of the state's effort to control the overheated rural enterprise boom."

The agency added that during the next two to three years, the state would forbid the establishment of new rural enterprises unless they conform to certain categories within the state plan.

The development of private and rural enterprises, many of which are in China's coastal regions, was particularly encouraged by the former Communist Party leader, Zhao Ziyang. By the end of 1988, the number of peasants employed in rural enterprises swelled to 100 million and produced one quarter of the nation's output that year, according to Tuesday's Xinhua report.

### Kissinger Visits Beijing

The former U.S. secretary of state, Henry A. Kissinger, arrived Tuesday in Beijing for a private visit that was expected to include meetings with China's top leaders. The Associated Press reported.

Mr. Kissinger, making what is believed to be his 15th visit to China since his historic secret trip of 1971, arrived by private plane from Hong Kong and was whisked to the secluded Diaoyutai State Guest House in western Beijing.

The Foreign Ministry, his host, has told the foreign press it will have no access to Mr. Kissinger and has refused to divulge his schedule. Mr. Kissinger's aides also have refused to discuss the visit.

## RUSHDIE: In 'Good Spirits'

(Continued from page 1)

situation is complicated by the menacing, reverberating effect of the ayatollah's death threat. Bombs have exploded outside Penguin book stores, and Mr. Rushdie's sympathizers have been threatened.

"The problem is not just the Iranian state," said Mr. Ali.

"The problem is in Britain itself, where you have a group of fanatics who could inspire someone to do a dirty deed. I think he knows he will always have to live very carefully."

Mr. Rushdie has no idea how much longer he will have to remain in hiding, Mr. Ali said, and his

## WORLD BRIEFS

### Israel Bombs Base in South Lebanon

JERUSALEM (AP) — Israeli Air Force jets bombed a base of the Shiite Muslim fundamentalist guerrilla group Hezbollah in southeastern Lebanon on Tuesday, the military command announced.

"All targets were hit and our planes returned safely to base," an army communiqué said, without specifying whether the raid caused any casualties or damage. It said that the targets were in Mazraat Ain Bishar, just north of Israel's self-proclaimed security zone in south Lebanon.

No reason for the raid was given, but military officials have several times blamed guerrillas of Hezbollah for taking part in attacks in the security zone or attempted infiltration of Israel's northern border.

### U.K. Synod Agrees to Female Priests

LONDON (Reuters) — The Church of England's policy-making General Synod on Tuesday backed the principle of the ordination of women. The synod, made up of bishops, clergy and lay members, voted by 323 to 180 to accept female ordination.

The issue will be passed on to church members around the country for further discussion; the synod will take a final vote in 1992 at the earliest, when a two-thirds majority would be needed for enactment. Currently, women can only be deacons in the church.

### Sweden Will Cut Income Tax Rates

STOCKHOLM (Reuters) — Swedes will pay much more for gasoline next year but will also take home more pay as a result of a tax change announced Tuesday.

The Social Democratic Party, which governs without a majority, said it had reached an accord with opposition parties to raise gasoline prices by one third in January. At the same time personal income tax will begin to fall from a maximum 72 percent to around 50 percent, a reduction long demanded by both politicians and economists.

In return, the government intends to raise 23 billion kronor (\$3.58 billion) next year from the higher gasoline levy and higher value added taxes on energy, new construction and hotel and restaurant services.

### Hundreds Still Missing in Thai Storm

BANGKOK (AFP) — Hundreds of missing people are thought to have been killed and more than 75,000 left homeless by the weekend typhoon that hit the Gulf of Thailand and southern Thailand, officials said Tuesday.

The worst typhoon to hit southern Thailand in more than 30 years swept about 100 ships in the gulf, with 443 Thai fishermen and most of 97 crewmen on the gas-drilling ship Seacrest dead or missing.

On land, where the confirmed death toll stood at 38, the storm devastated thousands of homes and caused damage in the millions of dollars, Interior Ministry officials said.

### Congressman Sees CIA Link to Bomb

WASHINGTON (Reuters) — A member of the House has released part of what he said was a 27-page report supporting his allegation that the CIA had as much as 24 hours' warning of the bomb that blew apart a Pan American World Airways jetliner over Scotland last Dec. 21, killing 270 people.

James A. Traficant Jr., Democrat of Ohio, on Monday released five pages of what he said was a 27-page report supporting his allegation that bombers used a CIA-protected drug-smuggling operation to get the device aboard the plane.

He said he got the report from a former CIA agent, Victor Marchetti, who said that it was written by former U.S. and Middle East agents now working for a company that conducted the investigation for Pan Am's insurance underwriter. A CIA spokesman called the congressman's allegations "nonsense."

### Poland Calls German Border Crucial

WARSAW (Reuters) — President Wojciech Jaruzelski said Tuesday that West Germany could only be reconciled with Poland if it recognized the permanence of Poland's postwar borders.

In a message to President Richard von Weizsäcker two days before Chancellor Helmut Kohl visits Poland, General Jaruzelski also indicated that he wanted Bonn to compensate Polish victims of Germany's Third Reich.

He echoed remarks Monday by the Polish prime minister, Tadeusz Mazowiecki, that recognition of Poland's western border, incorporating territories that were German before World War II, was crucial to better relations.

### U.S. Presses for Driftnet Fishing Ban

UNITED NATIONS, New York (Reuters) — The United States has introduced a resolution in a UN committee recommending an immediate ban on driftnet fishing in the South Pacific and a moratorium on all high-seas driftnet fishing by June 30, 1992.

The resolution, introduced Monday and co-sponsored by 11 other countries, refers to the use of large-scale driftnets, which sometimes exceed 30 miles (48 kilometers) in length and scoop up every living thing with the exception of fish small enough to pass through the mesh size. It notes that several thousand fishing vessels use such nets. The resolution says an immediate ban is needed in the South Pacific region to prevent adverse and possibly irreparable effects on South Pacific fisheries.

### Jamaican Backs Off on Drug Force

WASHINGTON (AP) — Prime Minister Michael Manley of Jamaica has conceded that his proposal for an international paramilitary strike force to battle drug traffickers lacks the necessary political support, but he says he will keep up his crusade for the idea.

Mr. Manley told the Senate Judiciary Committee on Monday that his proposal was opposed by many countries that viewed the idea as a threat to their sovereignty. He said that a Western Hemisphere training center for agents and intelligence could serve as an alternative but that only an international strike force would really do the job. "It isn't a regional problem, it's an international problem," Mr. Manley said.

## TRAVEL UPDATE

Portuguese transportation unions declared a 48-hour strike from midnight Tuesday over pay levels. The stoppage follows a walkout last month by thousands of bus, streetcar and subway workers. (Reuters)

Striking French railroad workers disrupted train service throughout the country Tuesday, annoying commuters and long-distance travelers but failing to shut the system down. The strikers were seeking higher pay and protesting plans to slash thousands of jobs by 1994. (AP)

A crackdown on illegal parking in Paris began in earnest Tuesday after a brief publicity campaign notifying the public that the "anything goes" style of French parking was a thing of the past. (AP)

## WEATHER

EUROPE				ASIA			
	HIGH	LOW	WIND		HIGH	LOW	WIND
Amsterdam	12	5	W 10	Beijing	10	5	W 10
Berlin	12	5	W 10	Bombay	10	5	W 10
Brussels	12	5	W 10	Calcutta	10	5	W 10
Copenhagen	12	5	W 10	Chongqing	10	5	W 10
Helsinki	12	5	W 10	Guangzhou	10	5	W 10
London	12	5	W 10	Hong Kong	10	5	W 10
Madrid	12	5	W 10	Kobe	10	5	W 10
Moscow	12	5	W 10	Manila	10	5	W 10
Paris	12	5	W 10	Osaka	10	5	W 10
Rome	12	5	W 10	Seoul	10	5	W 10
Stockholm	12	5	W 10	Singapore	10	5	W 10
Toronto	12	5	W 10	Taipei	10	5	W 10
Washington	12	5	W 10	Tokyo	10	5	W 10
Yokohama	12	5	W 10				
				AFRICA			
					HIGH	LOW	WIND
				Algiers	10	5	W 10
				Cairo	10	5	W 10
				Harare	10	5	W 10
				Johannesburg	10	5	W 10
				Lima	10	5	W 10
				London	10	5	W 10
				Los Angeles	10	5	W 10
				Manila	10	5	W 10
				Mexico City	10	5	W 10
				New York	10	5	W 10
				San Francisco	10	5	W 10
				Seattle	10	5	W 10
				Toronto	10	5	W 10
				Washington	10	5	W 10
				Yokohama	10	5	W 10
				NORTH AMERICA			
					HIGH	LOW	WIND
				Albuquerque	10	5	W 10
				Atlanta	10	5	W 10
				Boston	10	5	W 10
				Chicago	10	5	W 10
				Denver	10	5	W 10
				Detroit	10	5	W 10
				Houston	10	5	W 10
				Los Angeles	10	5	W 10
				Manila	10	5	W 10
				Mexico City	10	5	W 10
				New York	10	5	W 10
				San Francisco	10	5	W 10
				Seattle	10	5	W 10
				Toronto	10	5	W 10
				Washington	10	5	W 10
				Yokohama	10	5	W 10
				MIDDLE EAST			
					HIGH	LOW	WIND
				Amman	10	5	W 10
				Cairo	10	5	W 10
				Jerusalem	10	5	W 10
				London	10	5	W 10
				Los Angeles	10	5	W 10
				Manila	10	5	W 10
				Mexico City	10	5	W 10
				New York	10	5	W 10
				San Francisco	10	5	W 10
				Seattle	10	5	W 10
				Toronto	10	5	W 10
				Washington	10	5	W 10
				Yokohama	10	5	W 10
				OCEANIA			
					HIGH	LOW	WIND
				Auckland	10	5	W 10
				Christchurch	10	5	W 10
				Dunedin	10	5	W 10
				Hamilton	10	5	W 10
				Wellington	10	5	W 10

## PLO Asserts Rights Over Delegation

By Alan Cowell  
New York Times Service

CAIRO — The Palestine Liberation Organization has said that it reserves the right to decide on the makeup of a Palestinian delegation that would meet with Israeli officials on elections in the occupied territories.

But PLO officials refrained from asserting Israel's demand for U.S. assurances that the PLO and its open supporters would be excluded from such a meeting, Israel pressed for such a guarantee on Sunday, when it conditionally approved a proposal for talks in Cairo on the makeup of the Palestinian delegation.

Under a plan proposed by Secretary of State James A. Baker Jr., those talks would precede actual negotiations on the elections.

The PLO has also decided to seek European and Soviet support for its own position on the elections, the organization's officials said, and to pursue discussions with Mr. Baker.

"If Baker wants to know the facts, he should receive in Washington a PLO-Egyptian delegation to explain the situation and to establish the dialogue between Palestinians and Israelis," Sayed Kamal, the PLO's representative in Cairo, said on Monday.

The PLO talks with the United States began 11 months ago, after



# The East German Upheaval: Too Much Too Soon for West?

By Joseph Fitchett  
International Herald Tribune

PARIS — The East German refugees surging to the West have trampled major assumptions about how further liberalization will come to Eastern Europe. At the same time they are pushing to the forefront major issues that leaders in East and West acknowledge they are already confronting.

The open-ended crisis in East Germany has become the most unpredictable factor in East-West relations, with consequences as momentous as any development since the Iron Curtain divided Europe. It will affect the course of liberalization in Eastern Europe and perhaps even movement toward unity in Western Europe.

"It is the last way anyone would have chosen to promote change in Europe, but it may be unavoidable now," a Western official said.

In their scenarios, most Western governments, including that of West Germany, had hoped to see the changes that started in Poland and Hungary spread gradually, leaving East Germany to the end because German power remains such a sensitive international problem.

Instead, ordinary East Germans — trekking westward and marching in protest in East Berlin and other cities — have challenged the Communist Party's capacity to continue ruling and have forced the

pace of change so that closer ties between the two Germans are becoming imminent.

Other nations, ambivalent about this tilt in European power, judge that they have little leverage to influence developments. "Any move that smacked of trying to dictate to the people of East Germany," a diplomat said, "would be like

## NEWS ANALYSIS

trying to catch a weasel: you just get bitten, you never capture it."

Allied governments have shunned any suggestion of a conference to discuss the question of German reunification.

Even sweeping concessions could prove too little too late for the East German government to survive, a Western official said. "Is there going to be anybody left there but nursery-school kids and pensioners?"

For the country to regain a semblance of stability, the East German Communists would probably have to accept demands by protesters for free elections — in effect, abandoning their monopoly of power and probably turning East Germany away from the Communist system. The legitimacy that the Communist regime had sought for decades to consolidate on the basis of ideology would be dashed.

Members of a refugee family, asked on

television Monday if they would consider returning home, replied that they would only go back when East Germany became part of West Germany.

Pent-up demand among East Germans for a better life politically and economically, released by the chance to flee, has fueled nationalism — and the desire for reunification — in both Germans.

These new uncertainties worry leaders more than they like to acknowledge publicly. Typical of the reaction to nationalist conflicts that could bubble up as the German question is opened, Polish officials fear a revival of German extremists' claims to part of Poland that belonged to prewar Germany.

As in any moment of disorderly historical change, the risks have also suddenly increased, both for the Germans' neighbors in Europe and for East-West relations.

The biggest fear is that unrest in East Germany could provoke a Soviet-backed crackdown that would reverse the liberalizing policies of Mikhail S. Gorbachev, the Soviet president, and produce a new chill — perhaps even confrontation — between the Soviet Union and the West.

Diplomats worry about the chances of Soviet-backed repression if disaffection in East Germany spreads to the armed forces — a crackdown that could cripple liberalization in the East.

Already, with East Germany's military

reliability becoming more questionable every day, the East bloc risks losing the nation often described as the jewel of the Soviet satellites.

East Germany bolstered the Soviet Union industrially. And unlike Hungary, which has little strategic importance in the Warsaw Pact, East Germany has been the main forward military bastion of Soviet forces in Europe.

Diplomats also worry about the opposite possibility: a chain reaction of collapsing governments in Eastern Europe that would shatter the Warsaw Pact and jeopardize the East-West framework that is planning an orderly overall reduction of military forces in Europe.

Even if East Germany stabilizes as a member of the Warsaw Pact, its dependence on West Germany is clearly bound to increase. By the same token, West Germany, enhanced politically and economically by the stunning collapse in East Germany, will have to be recognized — despite the reluctance of Britain and other European victors in World War II — as clearly the most important power in Europe.

Western leaders have been highly complimentary about Bonn's handling of the refugee influx and about the determined low-key comments by West German leaders on the changed prospects for reunification.

President George Bush and the French president, François Mitterrand, have

publicly endorsed the right of Germans to self-determination and eventual reunification. They reason that West Germany, since becoming independent 40 years ago, has proved its commitment to democracy, so there is no mentionable grounds for objecting to West German ambitions.

Privately, many allied officials worry that the West is not yet ready for the re-emergence of German power, fearing that German nationalism will become the driving force in Western Europe.

European Community governments were told Monday that, for Bonn, the chance of closer ties between the two Germans was just as important as progress toward a single European market. Martin Bangemann, a West German on the executive commission of the European Community, warned the EC not to force West Germany to choose.

A tantalizing possibility is that East Germany, instead of solidly anchoring the Warsaw Pact, might lunge into *perestroika*, stealing a march on its East European neighbors, absorbing West German aid and also moving toward economic osmosis with West Germany.

Although East Germany has been a holdout against fundamental economic changes, its industrial assets would give it a much better chance than Poland or Hungary of succeeding with economic restructuring, with less hardship for its population.

## The Glasnost Effect: Communism in Retreat

Ethnic violence and nationalist unrest pose an "enormous danger" to the destiny and integrity of the Soviet state, says President Mikhail S. Gorbachev. Government figures indicate that about 300 people have been killed, more than 5,000 injured and 300,000 forced to flee their homes because of pogroms, riots and inter-communal clashes since January 1988. Yegor K. Ligachev, the leading spokesman of the hard-line conservative faction in the party, warns that without a crackdown "the disintegration of the Soviet Union is inevitable." As the Soviet Union fragments, much of its empire in Eastern Europe is turning its back on communism and seeking to break free after four decades of repression.

### Soviet Union

Population: 278 million

Kazakhstan Population: 16.5 million, predominantly Muslim. Mobs of youths went on the rampage in June, in violence directed against non-Kazakh migrant workers.

Uzbekistan Population: 20 million, predominantly Sunni Muslim. At least 99 were reported killed in ethnic clashes between Uzbeks and the Shiite minority known as Meskhetis.

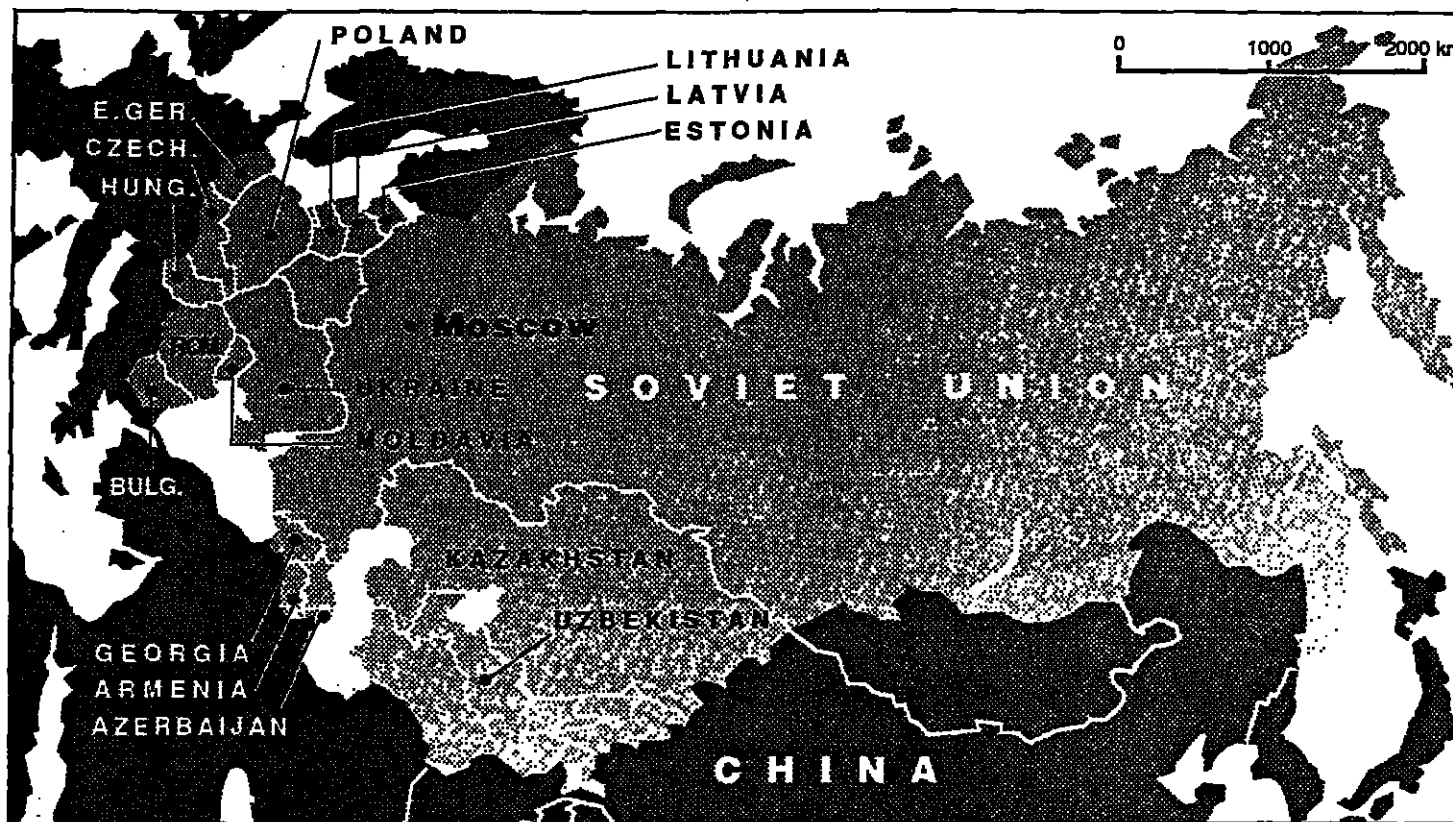
Georgia Population: 5.5 million, predominantly Christian. More than 20 were killed in clashes between troops and nationalist demonstrators in April, which led to the dismissal of the army commander in charge of putting down the disturbances. A similar number of people were killed in ethnic clashes between Georgians and Muslim Abkhazians in July.

Azerbaijan Population: 7 million, the majority Muslim. Hundreds of thousands of Azerbaijanis brought the republic's economy to a standstill for a week in September in a strike aimed at wresting political and economic control from Moscow. Republic authorities ended the strike by agreeing to recognize the autonomy-seeking Azerbaijan Popular Front, which seeks to end the Kremlin's emergency administration of the disputed Nagorno-Karabakh Autonomous Region, an Armenian enclave. Pogroms against Armenians and Russians have driven thousands from their homes. Last month, under pressure from the Kremlin, Azerbaijani nationalists lifted a blockade that had deprived Armenia of fuel and vital supplies for two months.

Moldavia Population: 4 million. Nationalists seek to ban use of Russian language, and thousands of Russian workers staged a strike in counterprotest in September. A compromise law made Moldavian the official language of the republic, but authorized the continuing use of Russian. Meanwhile, the Gagarin, a 180,000-strong Christian community in southern Moldavia, is seeking to break away from Moldavia.

Ukraine Population: 51 million. A Ukrainian Popular Movement for Perestroika is seeking transformation of the Soviet Union into a "confederation" of autonomous republics. Pope John Paul II is backing demands for restoration of long-suppressed Ukrainian Catholic church.

Baltic Republics Population: nearly 8 million. All have strong independence movements. In Lithuania, legislature has adopted legislation that could pave way for a referendum on independence. The legislature also has declared the Kremlin's 1940 annexation of the country illegal. The mass movement Latvian Popular Front is demanding an independent state with "our own borders, currency and laws." It proposes a Baltic common market independent of Moscow. Under Kremlin pressure following strikes by Russian workers, the Estonian legislature backed down on legislation that would have disenfranchised tens of thousands of Russians in local elections.



### Bulgaria

Population: 9 million. More than 300,000 ethnic Turks fled Bulgaria for Turkey earlier this year — or were forcibly expelled — until the ruling Communist Party Politburo marked the degree of disarray in the country that was until recently the Soviet Union's most disciplined and prosperous ally. The country appears to be falling apart politically and economically as its citizens stream to the West in an unstoppable tide or take part in ever more defiant marches to demand everything from free elections to the disbanding of the secret police. A million demonstrators jammed East Berlin last weekend in what one speaker called "a revolution from below." 500,000 demonstrated Monday in Leipzig. Nothing the government does is capable of preventing the outpouring of disgust and disillusionment with the Marxist system. The party transferred the mantle of leadership last month from Erich Honecker to his protégé, Egon Krenz, who has been promising sweeping reforms and imploring his countrymen not to flee. "We need you," he said. But when the government reopened the frontier with Czechoslovakia last weekend, thousands more East Germans flooded to the West, bringing the total to about 175,000. People are skeptical of the fallen government's pledge to allow citizens to come and go virtually freely. Promises, promises — but so far there is no give on demands for an end to the party's dictatorship.

### Czechoslovakia

Population: 15.5 million. The Communist Party still is firmly in power and the opposition relatively small, but 10,000 people demanding dialogue, democracy and freedom demonstrated in Prague last month until the police waded in to disperse the crowd in the second such clash in two months. Relative economic prosperity and a pervasive secret police have helped keep it lid on dissent. But while Czechoslovak authorities have allowed no significant liberalization, authorities have stood by helplessly while thousands of East Europeans have fled to the West across Czechoslovak territory.

### East Germany

Population: 16.6 million. The resignation in ignominy of the entire 44-man East German government Tuesday and a pending purge of the ruling Communist Party Politburo marked the degree of disarray in the country that was until recently the Soviet Union's most disciplined and prosperous ally. The country appears to be falling apart politically and economically as its citizens stream to the West in an unstoppable tide or take part in ever more defiant marches to demand everything from free elections to the disbanding of the secret police. A million demonstrators jammed East Berlin last weekend in what one speaker called "a revolution from below." 500,000 demonstrated Monday in Leipzig. Nothing the government does is capable of preventing the outpouring of disgust and disillusionment with the Marxist system. The party transferred the mantle of leadership last month from Erich Honecker to his protégé, Egon Krenz, who has been promising sweeping reforms and imploring his countrymen not to flee. "We need you," he said. But when the government reopened the frontier with Czechoslovakia last weekend, thousands more East Germans flooded to the West, bringing the total to about 175,000. People are skeptical of the fallen government's pledge to allow citizens to come and go virtually freely. Promises, promises — but so far there is no give on demands for an end to the party's dictatorship.

### Hungary

Population: 10.6 million. Parliament last month passed legislation that will lead to free elections next year for the first time in 42 years. Political leaders conceded the former Communist Party, recently renamed the Socialist Party, had scant hopes of winning a majority. Thirty-three years after Soviet tanks crushed the Hungarian revolution, the country last month was officially declared the Republic of Hungary rather than the People's Republic of Hungary, reflecting the break with the Communist past. A start has been made toward a free press, Marxist symbols have been removed, statues of Lenin taken down, a "people's militia" formed during the revolution has been disbanded and victims of Stalinism have been rehabilitated, including Imre Nagy, the prime minister hanged after the revolution. Hungary physically began dismantling the "Iron Curtain" in May by snipping the barbed-wire fence along the Austrian border. Then, by refusing to send home East German refugees trying to reach Austria through its territory, the Hungarians helped touched off the present ferment for change in Eastern Europe. Last week, it was announced Hungary would apply on Nov. 16 to join the Council of Europe, a 23-nation assembly in Strasbourg that until now has included only Western parliamentary democracies. On Jan. 1, most Hungarians will be free to travel and live abroad without restrictions.

Barry James

### Poland

Population: 37.3 million. In the biggest reversal of Communist fortunes in Eastern Europe to date, Tadeusz Mazowiecki took over in August as prime minister of the first nation to throw the Communist Party out of office. Mr. Mazowiecki, 62, a prominent Catholic intellectual close to the Solidarity movement, heads a coalition of Solidarity, Communists and other ministers, following elections that overturned four decades of Marxist rule. But he inherited a legacy of debt and desperate economic problems along with an empty treasury, complicated by the presence of a bloated, Communist-dominated state bureaucracy. The big question is whether the Solidarity-led government can overcome these problems and guide Poland to a system of stable democracy. Failure, warns President Wojciech Jaruzelski, "would harm the reform forces in other countries."

### Romania

Population: 23 million. A human rights conference in Paris this summer defined Romania, under the autocratic rule and personality cult of President Nicolae Ceausescu, as the most repressive nations in Europe. Mr. Ceausescu, 71, the self-proclaimed "great conductor" and "well-loved guide," has parlayed the economy with grandiose projects. There have been sporadic worker revolts against Mr. Ceausescu, suggesting that the regime could quickly unravel once the dictator leaves the scene.

## Bush Hopes the Release Of \$567 Million to Iran Will Help Free Hostages

By Elaine Sciolino  
New York Times Service

WASHINGTON — The Bush administration is eager to resolve financial disputes with Iran to improve relations in the post-Khomeini era and to pave the way for release of American hostages in Lebanon, administration officials said Tuesday.

In a news conference Tuesday, President George Bush noted that both Iran and the United States still owed each other money, saying, "I'd like to get this underbrush cleaned out now."

Mr. Bush's comments were made a day after U.S. officials disclosed that Iran would receive \$567 million, a portion of the money frozen in Washington after Iranians stormed the U.S. Embassy in Tehran in 1979.

In his news conference, Mr. Bush addressed a number of other foreign policy issues.

On China, he said the United States must try "in a quiet way to find steps that can be taken, perhaps on both sides, to see this relation move back toward normalization."

In response to criticism Monday from former President Jimmy Carter that he was too cautious in reacting to East European pro-democracy movements, Mr. Bush challenged his critics to produce proposals "other than 'triple the spending on every initiative.'"

On the Soviet Union, Mr. Bush said that its military budget was still growing, and that he "would like to see them find a way to reverse that." In terms of U.S.-Soviet relations, he said that to suggest "that everything is hunky-dory simply is not reality," adding that he would raise the issues of military spending and regional expansionism when he meets with the Soviet president, Mikhail S. Gorbachev, next month.

Mr. Bush said he did not know whether the decision to return the \$567 million in frozen assets to Iran would help secure the hostages' release. But he said that Iranian officials "have made some positive statements," and he expressed the hope that they would use their influence with the hostage-holders.

Mr. Bush also told reporters that the United States was "continuing

behind the scenes" on behalf of the hostages to "follow certain 'rabbit trails' there."

"And so far, they have ended up at dead ends."

The decision to return a large part of Iran's frozen assets follows unannounced talks at a special U.S.-Iranian claims tribunal at The Hague last week between Iranian and U.S. officials.

As a result of the negotiations, the United States will return \$567 million to Iran, retaining \$243 million as part of a larger pool of money to be used against further American claims.

Administration officials denied that the payment was related to a recent offer by Iran's president, Hashemi Rafsanjani, to help free American hostages if the United States returned the frozen assets. But a official directly involved in the negotiations, said, "If Rafsanjani is serious, this should be a big milestone."

In explaining Mr. Bush's statement, a White House official said, "Clearly if we could get the claims tribunal behind us it might have some impact on the hostage situation, although we just don't know if that would be the case."

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## WAVE: West Germany Is Dazed by Refugee Overload

(Continued from page 1)

German Embassy in Prague, as well as across the Hungary-Austria border, are overflowing. West German officials said they are scrambling to find additional sites.

"Through radio broadcasts, we have advised the refugees from East Germany to go to alternative crossing sites," the border police official said. "They just keep coming. I have no idea when it will stop. From what the arriving emigrants tell us, it will only stop if East Germany closes the border to Czechoslovakia."

Housing and processing the emigrants is becoming a problem.

While many often spend only a few hours in the reception camps before moving on to relatives or friends in West Germany, others need more time to find a place to live. Camps have been set up in army barracks, schools, auditoriums and gymnasiums across West Germany. But officials said they

are jammed far beyond their planned capacity.

"We are full to the rafters," said Peter Tschöpe, the West German Red Cross official in charge of the reception center at the Freizeithallen auditorium in the Bavarian city of Hof. He said that about 1,000 emigrants were currently at the facility, but he had fewer than 500 beds. "We are working on a solution," he added.

The mood among the local residents is also less welcoming. Mr. Tschöpe added, "We aren't seeing the enthusiasm and hospitality that was here one month ago, when the special trains from Prague pulled in."

A taxi driver in Düsseldorf, who asked not to be named, said that if he were in East Germany, he would also flee. "I support them fully," he said. "But many people don't. We have our own problems like the housing shortage. And to say the truth, a lot of these people are going to be living off of our tax money

for a while. That worries people, even though we are a rich land."

For the new arrivals, the problems in their new homeland and the signs of change at home did not figure in their decision to leave. After years, and frequently decades, of waiting for a chance at a better life, they are taking it while it exists.

Wolfgang Schwarzer and Cornelia Pritwall, a couple from Eisenach in their early 30s, crossed the border at Schirnding late Sunday.

Mr. Schwarzer believes the recent dialogue and the new atmosphere of openness in the press are not substantial changes.

"What good is press freedom or freedom of opinion if the economy does not work?" he asked. "Now people work even less and discuss more. If you look at the wage system, it does not matter if you work a lot or not. You get the same money. We didn't leave behind a lot. And our relatives here will help us."

## SOVIET: Protests Erupt as Leaders Mark Revolution

(Continued from page 1)

The unofficial parade hailed the Communist Party as the "political avant-garde of Soviet society." The unofficial banners called for the abolition of a clause in the constitution guaranteeing the party's "leading role." The official marchers chanted "hurrah" and sang "Internationale," the Communist anthem. The unofficial marchers shouted "shame."

## GERMANY: Government Steps Down in East Berlin

(Continued from page 1)

In East Germany, news agencies reported from Berlin.

Mr. Meyer said that the government would remain in office until the parliament had elected a new Council of Ministers.

The official news agency ADN said that parliament could meet before the end of the week.

Many of the unofficial demonstrators carried banners supporting populist deputies in the new Soviet parliament, including Boris N. Yeltsin, the former Moscow Communist Party chief. Mr. Yeltsin has denied any connection with the alternative march, suggesting that it could be a provocation designed to discredit progressive politicians.

Several banners in the unofficial march denounced the Bolshevik Revolution as a "tragedy." Others expressed disillusionment with Mr. Gorbachev. "This is the fifth year of perestroika and where are the results?" a typical banner read.

During a live television interview conducted atop Lenin's tomb — another first — Mr. Gorbachev acknowledged that perestroika was going through a particularly difficult period but promised that there would be no return to the past. "To go back would be a colossal mistake," he said.

Sebastian Pflügel, a leading member of the New Forum opposition group, called the government's resignation a first step but said that it was "certainly not enough."

(Readers, AP)



# Herald Tribune

Published With The New York Times and The Washington Post

## From Joke to Headline

A year ago, even six months ago, nobody could have predicted what is happening in Berlin, Budapest, and points east. How baffling for true believers in the Cold War, West or East, when the unthinkable becomes commonplace — and yesterday's whispered joke is today's headline.

The exodus from East Germany is now a surging flood, and those who stay clamor for democratic reforms. As minds and frontiers open, the shaken rulers of Communist regimes no longer threaten, but implore. Most wondrously, this has been happening with the approval, indeed the promotion by example, of the mother church of Communist dogma: the Soviet Union.

Reality outruns art so swiftly that it strains an old East bloc cottage industry, the joke factory.

An East Berlin joke this summer: Q. Do you know why we won't need identity passes by 1991? A. Because there will be only six people left, and Erich Honecker will know them all personally.

Fact: Since summer, 167,000 East Germans, or 1 percent of the population, have emigrated with or without official leave. And Mr. Honecker, the East German leader who could not stem the exodus, is now a former East German leader. Paradoxically, it is now the West Germans who worry that as the Berlin wall springs leaks, they will be swamped by their Eastern cousins.

A Hungarian joke, as of September: Q. Do

you know what prizes the Communists are now offering for recruiting new party members? A. If you get one new member, you don't pay dues. Two new members, you can quit the party. And for three, you get a certificate saying you were never a member.

Fact: Four weeks after changing its name to Socialist, the Hungarian party asked its 720,000 members to register anew. At the most, 30,000 have joined, according to the office of the party president. Meanwhile, 47 new political parties are organizing to take part in next year's elections.

A Moscow joke, 1988: Q. What's the difference between Dubcek's Prague spring (which provoked a Soviet-led invasion in 1968) and Gorbachev's reforms? A. Twenty years.

Fact: Last week in Leningrad, Alexander Dubcek appeared on Soviet television for the first time since his ouster as Czechoslovakia's leader. His appearance dismayed his hard-line successors, whose claim to legitimacy rests on insisting that the invasion was essential to stifle counterrevolution.

Nobody can yet say how far Eastern Europe can move out of the cold, or whether Soviet forbearance will continue. What is plain is that the momentum is with those who demonstrate and emigrate, and that the Soviet bloc has changed unrecognizably since that June day in 1963 when John F. Kennedy stood before the wall and defiantly cried, "Ich bin ein Berliner!"

— THE NEW YORK TIMES

## Israel Asks Too Much

The working theory of current American diplomacy in the Middle East is not so much to devise a plan for peace — that is considered too hard and chaotic — as simply to get some sort of "process" going that will involve Israelis and Palestinians, accustom them to dealing with each other, soften their hard edges and eventually produce progress. In this spirit, Washington has received the latest Israeli diplomatic tender, which is predictably negative and hard on the PLO, as a step that nonetheless "moves the process forward." But at what price?

The first goal of the dominant Likud Party is to fence the PLO out of negotiations so as to delegitimize and discourage the PLO's goal of a Palestinian state, now and for all time. The first goal of the PLO is to be included in negotiations as representative of a people with a worthy statehood claim. Faced with this fundamental difference, American diplomats are intent on taking this latest Israeli response back to would-be bridge-builder Egypt, which is trying to get Israeli-Palestinian talks started on Israel's West Bank elections scheme.

The United States, without exactly accepting the new Israeli response, is "prepared to discuss" it. There is much to discuss. We

have in mind not so much the Israeli government's PLO position, which is familiar and which perhaps can be altered only by a decision of the Israeli electorate. More troubling in this instance is Israel's request that the United States publicly support the Israeli position in preliminary Israeli-Palestinian talks that may materialize in Cairo, and that Washington back whatever actions Israel deems necessary if the talks break off. Israel asks for this "assurance" in writing, among others, and says it won't consider the Baker proposal further without it.

A difference between the United States and Israel on what it takes to bring peace in the Middle East is no surprise and should be dealt with by drawing on the close relationship that the two countries have long enjoyed. What the Israelis seem to be asking here, however, is that the necessary American-Israeli policy consultations yield to advance American consent to follow an Israeli lead in a crucial corner of American foreign policy. Peace-minded Israelis are eager to involve the United States in Middle East peace-seeking, but it cannot be an involvement that has the effect of giving Israel a diplomatic blank check.

— THE WASHINGTON POST

## Now Sweat Is Optional

A deeply held belief, usually acquired from childhood memories of castor oil, holds that no medicine can really be effective unless it tastes horrible. It follows that no exercise can really be of benefit unless it brings aches, agony and sweat.

A cheerful new prognosis from a Dallas clinic undermines this masochistic notion. A half-hour walk is almost as good as vigorous exercise in improving a person's longevity.

The clinic followed healthy people for eight years and graded them, on a treadmill test, into five levels of fitness. The couch potatoes in level one were likely to die youngest; death rates were lowest among

fanatic, 40-mile-a-week joggers in level five.

That much only confirms the well known relationship between fitness and longevity. The heartening news is that most of the life-increasing benefit shows up between grades one and two. Achieving grade two requires only moderate exercise — like a brisk walk of a half-hour to an hour a day. In other words, a mile is almost as good as a marathon.

A single study is unlikely to be the final word. Still, it will be easier to look guiltlessly at the rusting rowing machine and saunter off for a virtuous stroll. And the exercise bike can be left to collect a few more cobwebs.

— THE NEW YORK TIMES

## Horowitz Was the Best

Vladimir Horowitz broke the hearts of his fellow musicians. It wasn't that they swooned every time he sat down at the piano. His musicianship was, to many close listeners, of less than world class. He was not known for respecting a composer's intent. Nor was he considered the most sensitive of keyboard artists. But he was something else: He was the best. More precisely, in a musical universe bursting with colossal talents and colossal egos, he was the greatest throughout a career extending into seven decades. He never lost his capacity to thrill an audience, to transport it to a place where it felt it was hearing the music for the first time, and, not so incidentally, to fill the hall.

Born in Russia, Vladimir Horowitz arrived on the scene as classical music was being removed from elite audiences in concert halls and was being offered to vast new publics by records and radio, and by the widening of circles and definitions of leisure. His gifts of personality and pianism made him a leading model of the new 20th century genius of multimedia creative celebrity. His name became a metaphor for great classical artists even among those who think an arpeggio is a kind of lettuce.

Photographs show the young Horowitz as a slight, intense, romantic, dark-haired figure. The early reviews attest to a prodigious technique and an unrivaled power to create energy at the keyboard and excitement in the hall. In his later years he wore a slightly plumpish grandfatherly expression seemingly out of character with the immense emotional investment he still was capable of making in music. The earlier "stupendous fortissimos" perhaps faded off by a decibel or two, but he never lost his determination to play from the

heart, from deep within himself. This was what came to be expected of him by a public that lapped up tales of his personal eccentricities, never stopped buying his (high-priced) tickets and records, and gave him the status of a hero of the culture.

More than 20 years of Mr. Horowitz's career were spent in recess from public performance. He took breaks of up to 12 years each time, and returned with strength, firm technique intact, spirit refreshed and ardor for meeting the public unquenched. Right up to the time of his death on Sunday at age 85, it is reported, he was playing the piano and — who doubts it? — playing well.

— THE WASHINGTON POST

## Other Comment

### A Battle of Wits in Namibia

Finally the day is here. But it is possible South Africa will try and influence the outcome of the voting. There are ways of rigging elections and we are sure that South Africa knows them. But the United Nations is aware of this and has installed a highly efficient team to supervise the exercise. It will be a major battle of wits in which, we hope, the people's ballot will win the day.

That which many South Africans looked "impossible in our lifetime" is now happening in Namibia. Like colonialism, apartheid has had its day. The clock can no more be turned back in Pretoria than it can in Windhoek.

— The Standard (Nairobi).

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## OPINION

# The Wondrous Japanese Money Machine

By Karel van Wolferen

This is the first of two articles.

WASHINGTON — From time to time over the past several years as you have watched Japanese investors expanding their ownership of global assets at breakneck speed — buying up Columbia Pictures, Rockefeller Center, half of downtown Los Angeles and much else — the thought may have crossed your mind: Do the Japanese have a money machine? Well, in essence, they do. They have devised a mechanism that allows them, in principle, to buy whatever the rest of the world is willing to sell.

More important than the raw fact of this enhanced buying power is the leverage that the Japanese have gained over the global financial

year for which data are available), the increase in the nominal value of financial stock and land holdings was 40 percent larger than that year's entire GNP. Stocks on the Tokyo exchange routinely sell at multiples of more than 70 times earnings, compared with an average multiple of about 13 percent on the New York Stock Exchange. And by the spring of last year, the total value of Japanese land was more than four times the value of all U.S. land, even though Japan has only 1/57th of the habitable land.

The money machine operates by using this paper wealth as collateral for loans. Novel financing techniques are further applied to reduce the real cost of the created capital to almost nothing. These techniques developed from the "overloans" of the mid-'50s that let commercial banks expand lending to firms without having proportionate deposits with the central bank.

Japan is the only advanced industrial power to allow this type of funding, which originated in wartime measures to ensure an unimpeded flow of funds to manufacturers of war materiel. The financial institutions selected for this emergency purpose became the postwar *keiretsu* banks, the main money pumps for Japan's economic miracle. Although comparisons with U.S. numbers are difficult, the world's 11 largest banks are now Japanese, and Japanese security houses and insurance firms are expanding their influence in international finance markets. All these institutions coordinate their major foreign activities in informal cartels that flourish under the wings of Japan's Finance Ministry.

At the same time, Japan's manufacturers are once again expanding capacity at a mind-boggling rate, in sectors ranging from office automation and machinery to beer brewing. This expansion is going on with scant regard for medium-

term profits. The major mental jump that outsiders have to make in understanding this expansion is that economic control, rather than profit maximizing, is the main driving force.

Traditional market forces have almost nothing to do with the creation and operation of the money machine. The crucial factor was the covery by those who shape and monitor Japan's financial activities that their control over the economy is such that they can create massive amounts of money without causing massive inflation. Two phenomena undergird that control.

One is the informal power relations that are the mainstay of the Japanese political system. An elaborate network of personal connections, whose members can be relied upon to behave predictably, prevents the kind of calamity that would be the inevitable result of money manufacturing in any genuine market economy. A sizable Japanese firm is nearly always ensconced in an intricate nurturing of sister corporations, friends at the bank, industrial associations and ultimately Japan's central monetary authorities and other bureaucrats. In the financial world these connections paralleled those of Japanese industry, in which informal cartels give economic power holders a degree of control over internal and external prices unheard of in free-market economies.

These political connections, which are to a large extent beyond the scrutiny of the law or external regulators, guarantee that a large firm will never go bankrupt or fall into other hands. As a result, spectacular campaigns for long-term market share can be carried out at the expense of short-term profits to an extent totally unthinkable for Western corporations.

A second factor lies in the difference between the underlying aims of Western and Japanese economic endeavor. Industrial expansion in the Western democracies aims to make life more livable and to expand choices for consumers. Japanese aims are much more political: Administrators in industry and government take it for granted that Japan should become ever more invincible in the face of a potentially hostile world. They strive for domination in as many industrial sectors as possible and believe it to be only natural to do this at the cost of other desiderata in life.

Hence the fact that, although they are statistically the richest people in the world per capita, ordinary Japanese, who do not own land, have hardly benefited from the spectacular burgeoning of the national wealth.

The writer, author of "The Enigma of Japanese Power," contributed this to The Washington Post.

# Bush Likes Surprising His Critics

By David S. Broder

WASHINGTON — George Bush is upset that David Hoffman of The Washington Post broke the news of the seaboard summit with Mikhail Gorbachev 12 hours before Moscow and Washington had agreed to announce it. His pique is understandable: That's the kind of news any president likes to give out himself.

But the remarkable thing is that negotiations for the summit, which began last July, stayed secret. The news not only surprised the public but from 99 percent of the people involved with foreign policy in the Bush administration. Once again, this president has demonstrated a tendency to make his big decisions with only a handful of advisers, and to spring the results without warning to the world at large or to the government he heads.

The announcement last week cut off another round of griping about what leading Democrats had called Mr. Bush's "timid" and grudging response to the emerging Soviet forces in Poland, Hungary and East Germany. Lord knows, there is nothing timid about 48 hours of unstructured, "feet up" conversation with Mr. Gorbachev, unconstrained by any agenda and therefore unfettered by pre-negotiated understandings.

This is exactly the kind of summit that foreign policy traditionalists, of whom Mr. Bush was thought to be one, had always warned was to be avoided. The traditionalists' arguments were reinforced by the last such improvised U.S.-Soviet session, the 1986 meeting between Mr. Gorbachev and Ronald Reagan in Reykjavik. Mr. Reagan got so caught up in Iceland's camaraderie that he came within an inch of negotiating away the whole NATO nuclear deterrent.

It is worth recalling that Reykjavik, like the shipboard summit coming up on Dec. 2 and 3, was described as a "non-summit summit," just a preparation for a formal negotiating session to be held a few months later. That fiction did not limit the risks in Reykjavik and it will not limit them in the Mediterranean, either.

Mr. Gorbachev has to be regarded as a desperate man. His empire is breaking up faster than anyone could have imagined. Hungary is gone, Poland is going and East Germany, hitherto the most economically successful and most politically reliable of the major Warsaw Pact countries, is wobbling badly. Meantime, economic conditions in the Soviet Union continue to stagnate, if not deteriorate. Mr. Gorbachev needs a deal.

Against that tempting prospect, there is the chilling history of what has happened when other U.S. presidents have gone into summit meetings early in their terms. The last elected president to meet the Soviet leader in his first year in office was John F. Kennedy. At his meeting in Vienna with Nikita Khrushchev, he conveyed such a sense of unreadiness that Mr. Khrushchev was tempted to erect the Berlin Wall and to try putting offensive missiles in Cuba.

These are different times, of course, and Mr. Bush is a different president with his own intriguing pattern of behavior. He appears most of the time to be a cautious, plodding, rather unimaginative fellow.

But he stunned his advisers with the choice of Dan Quayle for vice president — and again by reiterating the choice, almost three years prematurely, for 1992, in an interview last week. He stunned NATO and most of those who manage foreign policy by his disarmament proposal in May.

And he stunned the world — to say nothing of the State Department, the Pentagon and the National Security Council — by deciding on an open-ended meeting with Mr. Gorbachev. What happened in May shows that there can be a payoff for such bravado.

For months the Bush administration had dawdled through a protracted foreign policy review process, while the president and Secretary of State James Baker said it was only prudent to proceed with caution in assessing the seemingly dramatic changes taking place in the Soviet Union.

Then, after allowing allied leaders and congressional critics to fill the air with complaints about his dillydallying, a suddenly energized Mr. Bush came up with an arms control proposal for the NATO meeting in Brussels. In a single stroke he solved a dispute within the alliance and trumped Mr. Gorbachev's last offer.

Mr. Bush, his intimates say, does not have a long attention span. Caution and patient preparation may get boring for him, too. The idea of Bush as Secret Swinger takes some getting used to. But in diplomacy, for better or worse, that is what he wants to be.

The Washington Post.

# Elections in Namibia: South Africa Has Cheated

By Erwin N. Griswold

WASHINGTON — This week, hundreds of thousands of black voters in Namibia are going to the polls to end 70 years of South African colonial rule and set the country on the road to independence. The agreement governing the decolonization process, which began in April, required the withdrawal or demobilization of South Africa's forces, the return of political exiles and free elections under United Nations supervision. But unless effective measures are taken to make the UN independence agreement fully operative, the Namibian elections are likely to be neither free nor fair, and the next stage of the independence process may be seriously compromised.

Further, the heritage of South African-inspired divisions in the territory could undermine the stability of a future independent Namibia.

What South Africa's white minority government fears most is a strongly independent, majority-ruled state on its borders. Thus its pre-election strategy was aimed at denying to the South-West Africa People's Organization the 48 seats it would need to write an independence constitution in the constituent assembly.

The greatest threat to the elections came from the South African-controlled security forces, which continued to interfere with SWAPO supporters. Almost 2,000 members of the paramilitary unit Koevoet, scheduled for demobilization last April with the rest of South Africa's locally recruited troops, instead were transferred to the civil police force in northern Namibia and were only partially demobilized on Sept. 30 after months of pressure.

The Namibian Human Rights Center reported a surge of police-style attacks on SWAPO activists by members of the demobilized territorial army, who remain on the South African payroll through November.

It was concern for this situation that led the UN Security Council last week to unanimously pass a resolution demanding that all parties, and particularly South Africa, strictly comply with the independence plan. The Security Council also called for the immediate disbanding of all re-

**The UN mission in Namibia has been unable to ensure the conditions for free elections.**

maining South African paramilitary and ethnic forces, including Koevoet, and the dismantling of the military command structures. They also demanded that the local police begin cooperating with the United Nations.

Pretoria has ignored other elements of the UN plan, including the critical provision that South Africa's colonial authorities, who remain in charge of civil government, law and order and the elections, act with strict impartiality. According to Namibian church leaders and international monitors, South African officials in charge of voter registration, for example, were responsible for extensive delays and for harassment of registrants in the

north, where support for SWAPO is strong. It appears, too, that the registrars mismarked thousands of registration cards, raising the possibility that many eligible voters could be disenfranchised on technical grounds.

Two studies of news coverage by the state-run radio and television monopoly, conducted by a nonpartisan Namibian monitoring agency, revealed systematic bias against SWAPO. In a country where 40 percent of the electorate is illiterate, equal access and fair reporting by radio and television is a prerequisite for fair elections. They are absent in Namibia. In October, the UN secretary-general reported that the South-West Africa Broadcasting Corporation's monopoly also would present problems throughout the pre-independence period of transition.

South Africa has ignored its obligation to repeal all race and security laws affecting the election. The legal cornerstone of racial separation and apartheid in Namibia has continued to be enforced by the South African territorial administrator-general.

At the same time, apparently seeking to discredit SWAPO, South Africa has in recent weeks voiced alarm at alleged impending SWAPO military incursions. But these claims were refuted after UN investigators found no evidence that SWAPO was preparing military operations.

For all of these reasons, the UN mission in Namibia, badly understaffed and limited to a monitoring role by the independence agreement, has been unable to ensure the condi-

tions necessary for free elections. In the end, only the great world powers have the political and economic leverage on Pretoria to guarantee a genuinely democratic and peaceful transition in Namibia. There is evidence that such pressure is effective.

In August, the United States and other members of the Security Council rejected a South African draft election law that violated fundamental requirements for ballot secrecy and a fair vote. The rebuke forced Pretoria to withdraw its proposal and accept major revisions in the laws governing the election this week.

That was good news for the Namibian people, and for UN officials fighting an uphill battle against South African control of the transition process. But much more needs to be done. This week, voters will be electing members of a constituent assembly that will draw up a constitution and schedule a date for the declaration of independence. But South Africa's administrator-general remains in control throughout this period.

Washington should make clear to Pretoria that continued violations will damage relations. The Bush administration also should adopt a more evenhanded approach in its public statements, instead of singling out SWAPO — the likely winner in an open contest — for criticism. The international community has a great stake in the successful decolonization of Namibia.

The writer, former dean of Harvard Law School and former U.S. solicitor general, is a member of Namibia Watch. He contributed this comment to The Washington Post.

# Elections in Jordan: Shoring Up the Monarchy

By Valerie Yorke

AMMAN — The general parliamentary election in Jordan today, the first since 1967, will not lead to Western-style democracy. For a king who has survived for more than 35 years and holds absolute power, full devotion to parliamentary government is not in the cards. But after price riots in April that left 11 dead, King Hussein chose to call the elections sooner than some members of his inner circle thought best.

Since the elections were scheduled, the government has not invoked a 1986 electoral law to prevent members of banned political parties from running, although for the time being they run as independents. Communist and other leftist have been released from jail to compete.

There has been some gerrymandering, which has left Amman, for example, with its Palestinian majority, badly underrepresented; and there have been other allegations of official interference. But most Jordanians agree that the campaign has been generally free. The conclusion drawn is that the king has a strong interest in being seen to respond to long-standing demands for more participation in the political process, as well as in distancing himself from unpopular policy choices that lie ahead.

But there is much more to these elections. The most pressing danger to the monarchy has been the erosion of the king's popularity among Transjordanians (descendants of the pre-1948 East Bank population). Since the early 1980s, Transjordanian leaders have been among the most vocal lobbyists for a reassessment of economic priorities and for democratic freedoms. Most of them have had no interest in radical political change, but they feared that King Hussein's preoccupation with the West Bank and personal power, as well as his failure to introduce reforms, would eventually undermine Jordan's security and the monarchy itself.

The importance of these attitudes lies in the weight which leading families, the king's chief bulwark of support, carry with the rural population in particular. And the army, although dominated by Transjordanians, reflects the broader society.

The anti-government rioting in April in several towns outside Amman, mainly in the south among King Hussein's most loyal supporters, reinforced Transjordanian criticism of the king. The immediate cause was steep price increases announced by the government as part of an IMF-imposed austerity program. But the violence carried a dramatic political message.

Conventional wisdom has it that the Palestinians pose the main threat to the monarchy. But since 1982, well-informed Jordanian sources plausibly contend that Palestinians make up less than 40 percent of the population of the East Bank. The majority of Palestinians undoubtedly look to the West Bank as their future state, and the Jordanian security services are capable of ensuring against a spillover of tensions from the intifada. The Palestinians did not join the recent Jordanian unrest.

King Hussein called the present elections to pre-empt a crisis in his relations with Transjordanians. However deep the divisions between Transjordanians and Palestinians, and within each of those communities, all sides want political reform. If the regime fails to act now, traditional and leftist Jordanians say, the Islamic movement will find it easier to garner more support.

King Hussein's strategy is to find a political balance that gives his people the reformed political system they want and which in return guarantees perpetuation of the Hashemite rule. The immediate and crucial challenge is to establish the Hashemites' role in a new political order before a subsequent general election.

Even if the new parliament includes from 15 to 20 Muslim fundamentalists and seven or so leftists, it could hardly threaten the political status quo. But a future election, in which organized political parties took part, could return a parliament that would favor amending the constitution and reducing the king's powers.

Royal success in reversing the tide of Transjordanian dissatisfaction will require persuading the electorate that the parliament is not a fig leaf for continued autocratic rule, and that the king supports substantial economic and political reforms. He will be expected by his loyal opposition to sacrifice some of his closest courtiers.

He must appoint a prime minister acceptable to parliament. Whether he opts for a transitional government headed by the current prime minister, Zeid ibn Shaker, or a compromise prime minister such as Ahmad Obaidat, the key will be appointment to the cabinet of enough deputies to win parliamentary support. At the least, the prime minister's program must call for a reassessment of economic policy, an end to martial law, legalization of political parties and implementation of the 1952 constitution — which is in virtual suspension.

The king's assessment may be that such changes are the minimum necessary to persuade Jordanians to deliver popular endorsement of a national charter, or *Mithaq al-Watani*, that accepts allegiance to the monarchy as the framework for reform. But Jordanians do not want a free and fair election only to be faced with a "paper constitution" pulled out of a Hashemite drawer.

The king has a way out. Jordanians have their own draft *mithaq*, or program of action, which all the main political groups have signed. The idea of a *mithaq* carries legitimacy because it is rooted in Jordan's history. The first was drawn up in 1928 by the Jordanian National Congress in opposition to the British. It stated that Jordan must have a constitutional government headed by the British.

installed emir, Abdullah ibn Hussein, King Hussein's grandfather, and by the emir's successors.

A royal commission, made up of representatives from all walks of life, could draw up a popular charter. The king might calculate that even if the charter were to legalize all political parties, inclusion of the pro-Hashemite clause would secure the monarchy.

He may calculate that he could clinch this by putting the charter to a plebiscite. At present most Jordanians, even the most disaffected leftists, want constitutional government but do not want to get rid of the king.

The writer, author of "Domestic Politics and Regional Security: Jordan, Syria and Israel," contributed this comment to The International Herald Tribune.

## 100, 75 AND 50 YEARS AGO

### 1889: Royal Betrothal?

VIENNA — The reported betrothal of the Czar's daughter and the Princess Margaret, sister of the German Emperor, is not credited here. I was informed at the Foreign Office today that not so much as intimation of such a design has been received from either the Ambassador at Berlin or the one in St. Petersburg. An alliance between Royal Families of Russia and Germany would be portentous for Austria's future.

### 1914: German Surrender

TOKIO — It is announced officially that Tsing-Tao has capitulated. Before the capitulation, two companies of infantry and a squad of supporters captured at midnight the central fort of the Chinese city's principal line of defense, taking 200 prisoners. The Germans hoisted the white flag at seven in the morning. The rapidity of the capitulation has roused the enthusiasm of the population of Tokio.

The German and Japanese losses are important. The operations against Tsing-Tao began on August 23, the day on which Japan declared war on Germany, by a bombardment of the port. The importance of Tsing-Tao to Germany consisted not only in the base of operations offered by the German fleet in the case of conflict in the Far East, but also the considerable commercial situation which the city had attained.

### 1939: Appeal for Peace

THE HAGUE — Queen Wilhelmina of Holland and King Leopold of the Belgians tonight (Nov. 7) simultaneously issued a peace appeal to the belligerent powers and an offer of their good offices in seeking a settlement, following a sudden visit by King Leopold and Foreign Minister Paul Spaak to the Dutch capital last night. The appeal from the two royal powers took the form of a telegram sent to the heads of state of Great Britain, France and Germany.

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## OPINION

## New York's Next Mayor Should Tell Us All Off

By A. M. Rosenthal

NEW YORK — Maybe on inauguration day the next mayor will reveal to us a new plan for meeting the problems of New York, a whole set of fresh proposals for action that never occurred to Ed Koch during his 12 years in office.

Maybe, but we New Yorkers have been sitting around listening to David

## ON MY MIND

Dinkins and Rudolph Giuliani for some months now without getting a hint of it.

We will not get a new wonder formula from either of the two candidates, both intelligent men, because none exists — or can exist. The reason is that New York's problems are intertwined with the problems of the whole nation. In a sense that is true of all big cities, but particularly of New York.

More than any other city, New York is where America's problems crystallize because for more than a century it has attracted immigrants and Americans who believe that this city will give them hope and a better life.

So sadly often, that hope has ended in disillusion and misery. But we tend to forget that so wonderfully often, the dreams have come true and those who have arrived in New York have not only found hope and opportunity but, with their muscle and talent and energies, have helped build the city and make it New York, New York, big and bouncing and beautiful.

But the plain truth also is that New Yorkers, all of us who have come in search of a better life, now help befall and cripple our own city. Mayors know this but do not like to speak it clearly. The rest of us can.

It is New Yorkers, ourselves, who rob and kill, make the streets ugly to see and smell and a terror to walk — us, not foreigners, not the government, us.

It is New York children who stab women with needles. It is New York grown-ups who pass by a man in convulsions, lying on a sidewalk, because they are afraid, not of him but of his very color.

## Black Breakthroughs?

IN THREE major elections on Tuesday, voters in New York City, New Jersey and Virginia had significant opportunities to do more than fill the offices at stake. Most obviously, they could have further broken barriers that have prevented the full political participation of African-Americans, by electing David Dinkins as New York City's first black mayor and Douglas Wilder as the first black governor of Virginia, or any state. And in all three elections, voters had a chance to make a clarifying contribution on the divisive, emotional abortion issue.

— Tom Wicker in *The New York Times*.

We all know this truth, New Yorkers' contributions to the physical and spiritual nastiness of the city. We do not need a campaign to tell us, which is lucky, because the subject never was brought up.

But with the campaign over, let's hope that tippy-toe time is also over. There is one thing the mayor can do, all by himself. He can tell us the truth, openly, consistently and fearlessly so we cannot avoid it. Ed Koch came closer to this than any other mayor, and our only hope for improving New York is that the new mayor be even more candid in his style.

Mr. Koch was not always beloved for it. But, Mr. Dinkins and Mr. Giuliani, remember that he was elected three times, which is not at all bad, and that when he rode the marathon route the other day he was hailed as a hero and not for his demerit.

New mayor, tell us clearly where we need help, where New Yorkers must fight Washington or Albany to get it — interdiction of drugs, a national drug therapy program, money for our devastated hospitals, public and private.

Then tell us where we need help, all right, but where there is plenty the city can do itself — like continuing and expanding the Koch program of rehabilitating ruined housing.

Along the way, tell us who ruined those fine buildings, what combination of arson, thievery, landlords' greed, tenant slovenliness and outdated laws that make it more profitable to abandon a building than to run it.

Then tell us which of New York's decay and decent beliefs are becoming self-destructive. Does civil liberty in the streets become civil tyranny when gangs of panhandlers threaten New Yorkers with violence — or must we wait until the passerby is actually stabbed?

Finally, most important, tell us that the only help for the city lies entirely within ourselves, tell us over and over till we get angry with you, and ourselves.

Mr. Giuliani, if elected, please go out among Jews and white Catholics and lay heavy about you. Tell the kids and the parents that racial hatred is created in the kitchen, around the table, and say knock it off.

Mr. Dinkins, if elected, please go out among blacks and lay heavy about you. Say that black parents are not doing a good enough job of supervising their children.

Say that black churches and social organizations are not doing enough to help kids from broken families fight their way through school. And tell the truth about the black peddlers of anti-Semitism — they are becoming a stench.

Mr. Dinkins's sense of courtesy and his soft-spoken style need not preclude speaking the truth. Neither does Mr. Giuliani's relative inexperience. It is a matter of desire, intent, courage — and love of New York.

*The New York Times*.

## The Japanese Have Things to Teach About Quality of Life

By Kimindo Kusaka

TOKYO — Japan is awash with money these days, but you would never guess it from talking to the man in the street. "We're rich? You've got to be kidding!" is a common refrain. Despite the world's second-largest gross national product, Japan has some of the highest prices, worst housing conditions and longest working hours in the world.

But people measure affluence with the wrong yardstick. Real wealth is not a big house or a shorter workweek. It is lifestyle and many of the cultural intangibles that the Japanese take for granted. In the postwar years, we envied the American Dream. Today, we need a Japanese vision of the good life.

In 1986, an ad hoc commission headed by Haruo Mackawa, a former governor of the Bank of Japan, warned that Japan would have to reorient its export-based economy to internal demand. To boost domestic consumption, the report said, Japanese would have to remove three obstacles that were denying them a standard of living comparable to that of the West: high prices, inadequate housing and long working hours.

But the Mackawa report did not define that standard. In 1987, Japan's per capita GNP surpassed that of the United States. But people who live in so-called rabbit hutches, put in 10-hour work days and can't afford to take a vacation don't feel affluent.

Will lower prices, larger houses and a 40-hour workweek make the Japanese happy? That is happiness, anyway?

The experts consider only one dimension of the problem. Many so-called obstacles are actually assets.

Take prices, for example. According to a recent government report, Tokyoites pay \$2.50 for a cup of coffee that costs only 70 cents in New York and 60 cents in Paris. But the Japanese consumer gets more than just a hot beverage.

Tokyo coffee shops strive to create an ambience, a private space where patrons relax and savor their favorite blend.

Moreover, there is a coffee shop for

every preference. Some feature classical music, others jazz or popular tunes. Many people, including executives, like to transact business there.

The floor space of a Tokyo coffeehouse is worth upwards of \$60,000 per square foot. Personnel and maintenance costs also are high. Considering the atmosphere, the service and the overhead, the \$2.50 admission price is cheap.

It is difficult to put a value on service. Yet one cannot compare prices without taking such costs into account.

Housing is another area where invisible "quality-added" factors must be considered. Some Americans who are transferred to Tokyo are astonished to learn that their companies must pay \$7,000 per month for an apartment that seems impossibly cramped.

But after a year, most appreciate the advantages of smaller quarters. Japanese rentals come with all the modern conveniences, including electric kitchens, central heating and air conditioners. Because there is less space, the residences are easier to clean and maintain. No yards means no lawn to cut or leaves to rake. Most neighborhoods are crime-free by U.S. standards and include a shopping district and restaurants.

In the 21st century, the bulk of humanity will live in large cities. Most people will have to accept small dwellings and congested living conditions. Japan can show that small is beautiful.

Critics say Japan's long working hours are an impediment to a better life. Some U.S. legislators even consider them to be a non-tariff trade barrier.

Granted, we put in long hours. But not all of that time is spent working. A strong sense of group loyalty makes it difficult for a person to leave the office before his colleagues. Employees tarry until everyone is ready to call it a day.

But the old work ethic is changing. Following the rapid rise of the yen in relation to the dollar since 1985, many

companies have trimmed their work force or closed down and moved abroad. After years of loyalty to the company, many middle-age, white-collar employees were forced to retire early or accept permanent transfers to subsidiaries. Many workers now distrust management.

Moreover, young Japanese, dubbed the "new breed," make a distinction between company time and private time. They tend to leave the office at 5 P.M. sharp and will switch jobs rather than accept onerous working conditions.

Some economists say that Japan has completed the industrial revolution that England began in the late 18th century. By the year 2000, Japan will have moved far beyond, launching a radically new

revolution that weds high technology and a creative service ethos.

Customization, an integral part of the Japanese lifestyle, will be crucial to this revolution. Some companies are experimenting with flexible manufacturing systems that can tailor goods to specialized demand using mass-production methods.

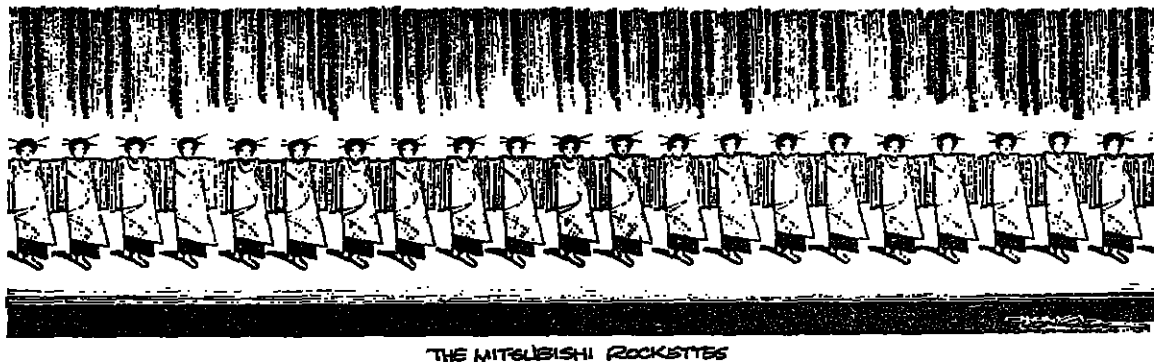
This second industrial leap will overcome consumer alienation from production, allowing consumers to participate in the manufacturing process. It also will multiply the variety of goods and expand the role of services in the secondary sector, enriching the quality of life.

Japan now exports only about 10 percent of its services, as compared with 50 percent of equipment and consumer goods. Service sales are likely to expand twofold or threefold over the next decade. This burst of activity will assure prosperity well into the next century.

The next industrial revolution will also create new cultural values. Japanese will gauge affluence not only by the size of their GNP or the abundance of consumer durables and luxury goods but by greater opportunities for personal development and old-fashioned joie de vivre.

When that day comes, the world will beat a path to our door.

*The writer is senior managing director of the Sofnometrics Center, which studies the shift from a manufacturing economy to one dominated by information and services. This comment has been adapted from an article published in the Japanese magazine Voice and distributed by the Asia Foundation's Translation Service Center.*



## An Economics Lesson at the Barbershop

By Tripp Strauss

TOKYO — In Japan, some people play golf on weekends and some form long lines in the Ginza district to watch first-run foreign films. A knowing few go to the barbershop.

A trip to a Japanese barbershop is an odyssey into the country's economic miracle, a glimpse at the same attention to detail that has made "Japan Inc." the envy of the capitalist world.

It is more than simply getting a haircut. Customers go to escape the bustle and bustle of Tokyo's frenetic pace. They go to complain about local politics and catch up on the latest neighborhood scuttlebutt.

But most of all, they go to be cranked up high in the barber's chair, to assume for at least one precious moment — regardless of their walk of life — that honorific stature uniquely revered in Japan: that of *okyakusama*, or customer.

So going to the barbershop here is an outing. The object is not to get it over with as quickly as possible, American-style, but to prolong the treatment and bask in its sensual pleasures.

No one understands this better than Tanaka-san, who runs a state-of-the-art barbershop just up the street from where I live, in the Minami Azabu district. Like much else in Japan, Mr. Tanaka's shop has only recently gone upscale.

Last year, he sold his small, old shop,

located a few blocks from the new one, for a cool \$15.3 million. With typical Japanese foresight for investing for the long pull, Mr. Tanaka plowed the proceeds into his spanking new premises.

Mr. Tanaka, 54, has been in the barbering business for 38 years. Back in 1950, he charged only 35 yen — not much compared with the 3,200 yen he receives today for a cut and shampoo. At today's exchange rates, \$22 for a haircut might seem expensive, but I think it's one of the best deals in town.

You always have to wait in line at Mr. Tanaka's shop. He doesn't take reservations because he doesn't need to. But when your time comes, Mr. Tanaka directs you to the seat of honor.

Soon his wife is feverishly shampooing your hair, massaging your scalp with a special brush. While she scrubs, Mr. Tanaka is busy at the next chair, applying the finishing snips and snaps to another client. This tag-team approach keeps the shop running at full capacity.

Mr. Tanaka typically spends about 45 minutes cutting your hair, scrutinizing the symmetry of the sideburns with the utmost care. His cutting skills are superb, but it is in conversation that he truly excels. He knows when to talk,

when to listen and when to utter the drawn-out guttural grunt of approval so common in Japanese. These insightful yet subtle dialogues with his clients create the cornerstone of Mr. Tanaka's thriving business: the repeat customer, every retailer's dream.

For the rare client not "hooked" by pleasant conversation, Mrs. Tanaka's shaving technique, with a straight-edged razor, is the showstopper. First, she places a hot towel over your face, then wipes your face with moisturizing oil.

She applies another hot towel to remove the oil and lathers you up with warm shaving cream. Finally, she methodically spends fifteen minutes shaving off every last whisker — including any stray hairs that might have found their way to your forehead or earlobes.

The oil and hot-towel procedure is repeated and the reclining customer is gently coaxed into returning to earth.

Foreign businessmen trying to figure out what makes Japan's economy so successful might do well to visit a Japanese barbershop. Impeccable service isn't extra here, it's included in the price of admission.

*The writer is a well-barbered American stockbroker currently living in Japan. He contributed this comment to the International Herald Tribune.*

## GENERAL NEWS



## Throngs of Namibians Go to the Polls

By William Claiborne

WASHINGTON Post Staff Writer — Namibia's independence election began peacefully Tuesday as black voters stood in mile-long lines under a blistering sun to cast ballots to end 105 years of colonial rule.

"Today we are finally burying apartheid colonialism," said Sam Nujoma, president of the South-West Africa People's Organization, as he entered a polling station in this sprawling black township outside the territory's capital.

In other election centers here and throughout Namibia, blacks raised clenched fists to greet late arrivals as they stood in lines for eight hours or more in intense heat. Many of them were still far from the polling booths at the scheduled 7 P.M. closing time but vowed they would stay until they could vote.

"I'm not giving up my vote," said a black voter as he shielded himself from the sun with a cardboard box. "Many people have died to give it to me."

Election officials said the polls would remain open as long as people were still in line, but they appealed to political parties not to transport large numbers of voters to selected polling stations in hopes of discouraging supporters of rival parties.

A few voters wore the blue, green

and red colors of SWAPO, which is expected to emerge from the voting with a decisive victory, but there was little evidence of campaigning near the polling stations.

At the rate the paper ballots were being processed, it appeared unlikely that the United Nations-supervised election could be completed in the five days allotted, meaning that voting might have to be extended by a day.

A spokesman for the South African-run Administrator General's Office, Gerhard Roux, said, "I'm still confident that we can complete the process by Saturday."

More than 700,000 Namibians are registered to elect a constitutional assembly under the U.S.-brokered independence plan to end 74 years of South African occupation in exchange for the withdrawal of 50,000 Cuban troops in Angola.

Namibia, also known as South-West Africa, was a German colony before it was captured by South Africa in 1915.

More than 300 blacks who own minibuses in Johannesburg and Durban drove their vehicles to Katutura to provide transportation in this and other black townships.

Despite concerns raised by many whites, there were few reported incidents of violence or voter intimidation in the first day of voting. State-run radio reported that a SWAPO bus was set on fire in the Kavango tribal area near the Angolan border this morning. Early Tuesday, a light plane was reported to have dropped disinformation pamphlets near Oshakati advising SWAPO voters not to go to the polls until Thursday or Friday.

The results of the voting are expected to be announced on Nov. 15, unless balloting is extended.

## Jordan to Hold First Free Poll Since 1956

Reuters

AMMAN — Jordanians will choose a new parliament on Wednesday after the first free election campaign in over 30 years.

Many candidates demanded more political freedoms and an end to martial law, which has been in force since the 1967 Arab-Israeli conflict. They also want to bring to account those responsible for alleged past corruption and mismanagement of Jordan's ailing economy.

Jordan last held a general elec-

tion a few weeks before the 1967 fighting. But the last poll contested by political parties was in 1956. They were banned a year later after an attempt to topple King Hussein.

The ban remains in force, but the government has ignored it during the three-week campaign, allowing participation by the Muslim Brotherhood, the Communist Party, parties linked to radical Palestinian factions and other groups.

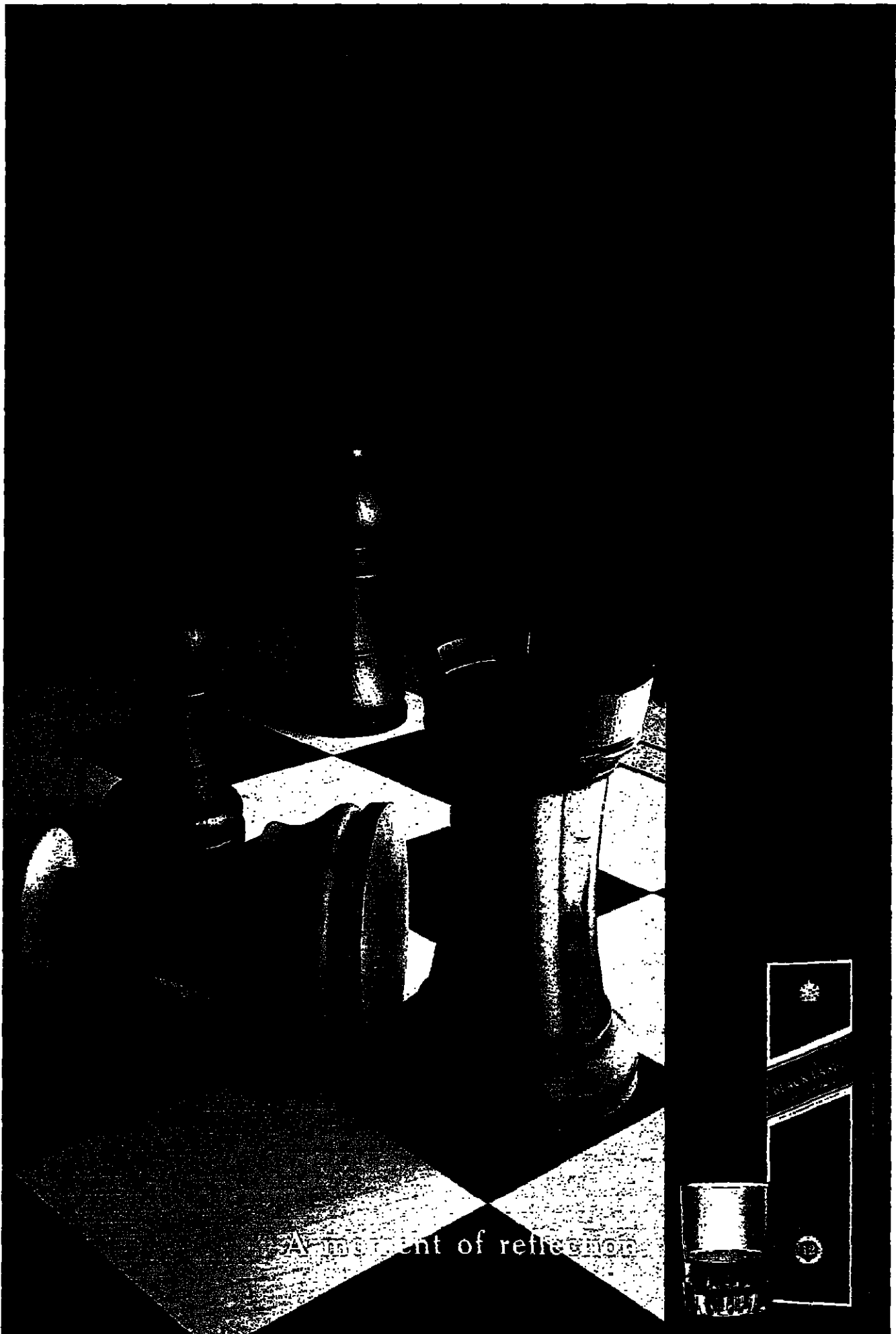
"It's a democratic fiesta," said a political science professor, Kamel Abu Jaber. "It's very healthy. Peo-

ple have discussed issues, mainly Jordanian ones, and not just personalities."

Police plan to deploy 16,000 men to ensure security at more than 1,000 polling stations across the country and to prevent celebratory gunfire by happy winners.

Armed forces and civil defense personnel, who may not vote, will stay in their barracks on election day, a national holiday.

Up to 877,000 voters may cast ballots for the 648 candidates left in the race for 80 seats.





The complex of newly built vacation apartments on Corsica was reduced to rubble following the bombing by separatists.

## Bombs in Corsica Destroy Vacation Home Complex

**Reuters**  
AJACCIO, Corsica — Thirty Corsican separatists rounded up villagers at gunpoint on Tuesday and blew up a large vacation apartment complex that was under construction.

The attack took place in the village of Sainte-Lucie de Porto-Vecchio on the southern tip of the island. No one was hurt but there was heavy damage to about 150 apart-

ments being built by a French-Italian consortium. The outlawed Corsican National Liberation Front said in a statement that the bombing was aimed "against the takeover of Corsica by international speculators linked to the Mafia."

The gunmen, wearing hoods, rounded up all 17 residents of the village and tied them up, clear of any danger from the explosions.

The attack broke a 17-month truce between the front and the French government, which had been reached after a decade of sporadic bombings. In August, the front issued a statement warning outside investors — especially those with suspected connections to the Mafia — to stay out of Corsica. "They are playing a part in the death of our national community and we will show no restraint toward them," it said.

## Dealer Testifies He Gave Cocaine to Barry

By B. Drummond Ayres Jr.

**New York Times Service**  
WASHINGTON — Charles Lewis, a convicted drug dealer and longtime friend of Mayor Marion S. Barry Jr., has testified in U.S. District Court that he gave Mr. Barry crack on "more than one occasion."

It was the first time that Mr. Lewis has publicly implicated the mayor, whose political future has been threatened many times in the last five years by allegations that he has used illegal drugs.

"I'm not worried at all about this," Mr. Barry said. He called Mr. Lewis a "convicted felon" and said "he'll say anything in court, trying to save his own hide."

Mr. Lewis's testimony Monday was expected to throw Washington's already confused political scene into further disarray. One possible result is more pressure on the Reverend Jesse L. Jackson to run for mayor.

Mr. Jackson, who moved recently to Washington from Chicago, has said he would not seek the job as long as Mr. Barry was a candidate. He has not ruled out a campaign if Mr. Barry resigns or does not seek re-election.

Mr. Barry has said he intends to seek a fourth term.

Mr. Lewis's testimony came in a hearing in which federal prosecutors dropped more than a dozen drug charges against him after he



Marion Barry

agreed to plead guilty to two counts of distributing cocaine.

He also agreed to cooperate fully with a grand jury that is investigating drug use in the city, some of it allegedly by the mayor.

Mr. Lewis told the court that he bought crack — a highly potent cocaine derivative — for Mr. Barry three times, either on a street corner or at a friend's house.

The U.S. attorney for the Dis-

trict of Columbia, Jay B. Stephens, refused to comment other than to say that the drug investigation involving Mr. Lewis was continuing and would be "aggressively" pursued.

Mr. Lewis was convicted earlier this year on four counts of cocaine trafficking in St. Thomas, his home in the U.S. Virgin Islands. Before Monday's testimony, he had reportedly told a grand jury he had given Mr. Barry cocaine on several occasions last December while the mayor was visiting him at a Washington hotel.

But the allegations were never made publicly until Monday afternoon, when Judge Stanley Sporkin turned suddenly to Mr. Lewis and asked him for details about drug activity at the hotel.

"Was one of the individuals that you gave cocaine to the mayor of this city?" Judge Sporkin asked.

"I'm not going to be made a fool," Mr. Lewis testified. Both his lawyer and the prosecuting attorneys rushed to his side, whispering, and then asked for a conference at the bench.

Judge Sporkin could subsequently be heard telling the lawyers that he did not think it was right for the public to continue reading and hearing unconfirmed reports about Mr. Lewis and the mayor.

Mr. Lewis then resumed testifying.

The clerk read back the judge's question, "Was one of the individuals that you gave cocaine to the mayor of this city?"

Mr. Lewis replied: "Yes, your

honor, crack cocaine. There was more than one occasion."

He was not asked to elaborate. Mr. Barry's lawyer, R. Kenneth Mundy, said afterward: "We question the credibility. Charles Lewis is a besieged and beleaguered man who knows that his only salvation comes by not giving truthful statements about the mayor."

Mr. Lewis's statement will almost certainly add to the mayor's political problems. Polls indicate Mr. Barry has been badly wounded in recent months by the repeated allegations that he uses drugs and by the adverse publicity that Washington has received after being hit by one of the nation's most violent drug epidemics.

Eric Easter, a spokesman for Mr. Jackson, said Mr. Jackson would have no comment on Monday's testimony, but noted that he had criticized earlier rumors that Mr. Lewis had implicated the mayor in testimony before a federal grand jury. "What he said before when it was leaked out of the grand jury is that the mayor is innocent until proven guilty," Mr. Easter said. "You can't stake someone's reputation on the say of a convicted felon."

Mr. Lewis could receive up to 40 years in prison on the drug counts to which he pleaded guilty on Monday.

His lawyers said they expected that as a result of the bargaining that led to Mr. Lewis's plea, and his agreement to help in the drug investigation, the sentence could be less than two years. Sentencing was scheduled for Jan. 8.

## Some passengers can get very attached to you.

"The girl was about eight I suppose, the boy just five. It's the youngest we allow on the plane unaccompanied. But then at London, Heathrow there was no one to meet them. The boy just curled up on my lap, and after that he wouldn't let me go.

We contacted the police and they started trying to trace the parents.

Meantime I was going off-duty. So I took the kids round Windsor Castle for the day, then back to my place for tea.

They were sweet, but very quiet. By that time they'd found the mother. It was some kind of domestic problem with her and the father, I never really heard the full story. I still remember the boy though."

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PORT DE LA BOURDONNAIS. 75007 PARIS. TEL: RES. 47.05.50.00

## TO OUR READERS IN HOLLAND

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## AMERICAN TOPICS

### Putting Army Medics In City's Combat Zone

U.S. Army surgeons training to treat combat wounds have started doing two-month tours of duty at Martin Luther King Jr.-Drew Medical Center, where most Los Angeles gang shooting victims are sent for treatment.

"It's a place where the residents will have to treat a large volume of high-velocity wounds, the kind we would see in war," Dr. John McPhail, a senior army surgeon, told the Los Angeles Times.

While eight army medical centers across the United States provide residency programs for everything from orthopedics to pediatrics, officers say that only the gang and drug warfare in major cities offer the combat-like conditions in which army doctors can receive training in high-volume trauma surgery. Los Angeles leads all cities for gaping, multiple-penetration wounds by automatic and semi-automatic gunfire associated with gangs. Los Angeles County had 353 gang-related murders last year.

### Short Takes

Chrysler Corp., after two years of negotiations with the Labor Department and the United Auto Workers union, has agreed to set up the industry's first major program to deal with repetitive-motion injuries, the second such project in a major American industry. The first was announced last year by IBM Inc., the biggest U.S. meat-packer. The union said that as many as half its members have nerve and muscle problems.

Cameras are allowed in the courtrooms of 44 states and the U.S. Court of Military Appeals, under varying conditions, but

not in federal civilian courts. Officials of lower federal courts are expected to vote on the issue in March. But the Supreme Court, The Washington Post reports, has informed a television industry group that it will continue to bar all cameras. Some justices say cameras would be disruptive and that film sequences could be edited to distort legal issues.

Self-adhering stamps selling at roughly 10 percent over face value — with 18 of the 25-cent stamps going for \$5 — are being tested in 15 cities by the U.S. Postal Service. It says the stamps stick better than those made in an effort 15 years ago: collectors were horrified to discover that the 1974 stamp has begun to self-destruct as the glue eats through the paper. The post office said the problem has been corrected in the new stamp.

The U.S. Army Corps of Engineers, whose dam-building and river-straightening have long been the bane of ecologists, is showing new concern for the environment. The chief of the corps, Lieutenant General Henry J. Hatch, told conservationists in Los Angeles that the corps must consider major projects in an environmental as well as a financial and technical context. "Simply overlaying an environmental sensitivity and consciousness," he said, "is insufficient."

Some baseball terms never die, says Paul Dickson, compiler of the new Dickson Baseball Dictionary, because everyone insists they are dead. The most enduring term for a bloop single, one that sails over infielders' heads but falls too short for deeply positioned outfielders to catch on the fly, is kept alive by broadcasters who invariably refer to it as "what used to be called a Texas Leaguer" — so called because the vast, sun-dried fields of the Texas League rewarded that kind of hit.

Arthur Higbee

## U.S. Diplomacy: Some See a Crony Corps

By Elaine Sciolino

WASHINGTON — C. Howard Wilkins Jr. stunned the Dutch when he posed for publicity photographs at an amusement park with a man-sized green frog.

Peter Secchia raised eyebrows in Italy when he expressed his love for the country's "belle ragazze" — its beautiful girls.

Joseph Zappala disappointed Spaniards when he failed to utter a word of Spanish on his arrival in Madrid last month.

And Henry E. Catto Jr. has puzzled Texas flag and installing a four-foot-high (1.20-meter) wooden Hereford castle replica on the lawn of Winfield House, his stately official residence in London.

The four are members of the new U.S. ambassadorial corps, appointed

in each case primarily because of personal and political ties to President George Bush, campaign contributors or fund-raising skills.

Mr. Catto, a business executive, Republican Party contributor and longtime friend of the president, is a five-time ambassador with considerable foreign-policy experience. The three others have none.

Presidents reserve choice ambassadorial posts like Paris, London and Rome for friends and patrons, and defenders say that Mr. Bush is simply observing tradition. But many lawmakers, political analysts and former and current Foreign Service officers say the administration has let the diplomatic spoils system get out of control.

In defending the Bush approach, the White House personnel director, Charles G. Untermyer, said: "The historic role of the ambassador, going back to 18th-century

Europe, is to be the personal representative of the sovereign. The degree to which George Bush has confidence in the person is more important than anything else. When he was — as people have crassly put it — rewarding people, he was rewarding those who served him well and faithfully."

But Senator Paul S. Sarbanes, the Maryland Democrat, cited incompetence in opposing a number of political appointees, calling them "ticking time bombs moving all over the world."

Of 87 ambassadors selected by Mr. Bush in the first nine and a half months of his administration, 48 are friends and supporters, a higher portion of nondiplomatic appointments than had been made by Jimmy Carter and Ronald Reagan at the same points in their administrations. Accounting for the disproportionate number of political ap-

pointments, aides say that Mr. Bush decided to reward as many of his supporters as soon as possible. Mr. Bush has promised to give friends and supporters no more than one-third of the U.S. ambassadorial posts worldwide.

The 1980 Foreign Service Act states that "contributions to political campaigns should not be a factor in the appointment of an individual as a chief of mission." Seven Democratic senators cited that law in voting against the nomination of Mr. Zappala, a real estate developer known in Florida as the "grandfather of condominiums," to the post in Spain. He has no foreign-policy experience, but contributed \$127,000 to the Republican Party last year.

Seven new ambassadors contributed more than \$100,000 to the party in the last presidential campaign, and several others raised large sums of money.

"The appointment of ambassadors is the last unchallenged form of political patronage, and our approach is the most capricious of any Western democracy," said David D. Newsom, a former undersecretary of state and director of the Institute for the Study of Diplomacy at Georgetown University's School of Foreign Service.

"But this administration sets another standard. I have never seen such an open admission of the relationship between campaign contributions and ambassadorial appointments," he said.

The American Academy of Di-



Ambassador Peter Secchia has raised a few eyebrows in Italy.

plomacy, an organization of former Foreign Service and noncareer ambassadors, has rated the majority of Mr. Bush's political appointees as unqualified for their posts.

Defenders of the choices contend that ambassadorships cannot be bought. "I know a lot of people who gave money and didn't get embassies, so the implication of the question — if you give a lot of money, you'll get an embassy — is false," said Ivan Selin, the undersecretary of state for management.

As evidence that political appointees are qualified for their jobs, administration officials cite James

R. Lilley, a former official of the CIA, as ambassador to China; Donald P. Gregg, another CIA veteran and former Bush aide, as ambassador to South Korea; and Vernon A. Walters, retired general and former U.S. representative at the United Nations, as ambassador to West Germany.

Mr. Lilley, for instance, speaks Chinese, has a command of Chinese politics, served in Beijing when Mr. Bush was chief of the liaison mission in the 1970s and has taken a more skeptical view of the Chinese than some in Washington want to hear.

## Shattered Economy Haunts Sandinistas

By Mark A. Uhlig

MANAGUA — On a crumbling wall here, aging graffiti sum up the Sandinista National Liberation Front's pledge to the urban poor: "Workers! The FSLN will never let you down!"

In broad red brushstrokes, the slogan defines the revolutionary compact that once bound the Sandinistas to Nicaragua's working class, helping the insurgent movement to seize power in 1979.

But after three years of political and economic crisis, the promise has faded along with the paint.

Battered by galloping inflation, Nicaraguan workers have seen their real wages fall by more than 90 percent since 1981, forcing huge cuts in private consumption.

Large-scale layoffs of government workers and a deep industrial decline have left thousands of people in Managua and other cities without jobs.

And with national elections less than three and a half months away, the urban workers who once sustained the Sandinista government have now become one of its most serious potential liabilities.

"For us, the economy has been destroyed, just destroyed," said Alcides Flores, a 42-year-old worker in Managua. "Every day, the prices go up, but our salaries stay the same. People are doing anything they can just to survive, and they blame the government for what is happening to us."

In the last week, the issue of economic hardship has been overshadowed here by the government's decision to end its cease-fire with the Nicaraguan rebels and by fears that new fighting may interfere with national elections scheduled for Feb. 25.

But workers in Managua, which has been relatively untouched by direct effects of the war against the rebels, dread the threat of renewed fighting also for its economic cost.

Some opposition leaders have accused the government of raising the specter of war precisely to distract people from the hardships of daily life.

Over the last two years, the Sandinista government has taken tough measures to halt the economy's rapid deterioration, which government officials ascribe to the heavy burden of the eight-year war against the American-backed rebels, known as contras.

Those measures, mainly deep cuts in government spending and investment, have succeeded in reducing inflation, which reached an annual rate of 36,000 percent last year, to less than 10 percent a month.

But the fight to regain control of the currency has left the economy in a deep recession, particularly in the industrial sector, which is expected to shrink by roughly 20 percent this year alone, according to confidential government figures.

The consequences of that contraction are being borne largely in urban areas, which account for more than 80 percent of the country's industry.

And with nothing to fall back on but their shrinking salaries, urban workers — who make up an estimated 25 percent of the nation's voters — have felt the full force of Nicaragua's economic crisis.

In dozens of interviews throughout Managua and surrounding areas, low-income workers from the public and private sectors alike expressed despair about their economic circumstances and many said that economic reasons alone would compel them to vote for the opposition.

Although most of those interviewed said they believed the war had been important in starting the economic slide, few said it could justify their continuing hardship. And many said flatly that they did not believe the government was able or willing to solve the nation's economic crisis.

"We used to eat three times a day, like normal people," said Luis Edmundo Sánchez, a salaried laborer in Managua. "But I can only afford to eat twice, and it is the same with everybody I know. The only ones who can afford to eat are in the government."

Such criticism is a dramatic change from the early days of the Sandinista regime, when the government, acting to fulfill its revolutionary ideals, used subsidies and price controls to give city dwellers more favorable terms of trade than their counterparts in the countryside, bringing a surge of prosperity to Nicaragua's fledgling proletariat.

Those policies, together with the start of the contra war, helped produce a nationwide exodus from the countryside to the cities, giving Managua one of the highest urban growth rates in the world.

According to official estimates, the capital now holds more than one million people, or one-third of all Nicaraguans, gravely straining housing, water, and sewerage services, which are barely suitable for half that population.

Economists say the resulting economic collision combined a glut of workers with a battered urban economy. It was compounded by a U.S. embargo on trade with Nicaragua, poor government management, and uncontrolled inflation caused by high military expenditures.

The most important problem, the economists say, is not the supply of adequate food and other products at city markets, but the low buying power of the workers who consume those goods.

At current exchange rates, for example, a typical government-paid laborer earns about 500,000 cordobas, or roughly \$20, for a month's work. That salary must be stretched to meet rising prices, which have left a single one-pound (450-gram) can of powdered milk, enough to feed one child for three to four days, costing more than 80,000 cordobas, a pound of pork at 24,000 cordobas, and a pair of shoes at 600,000 to 800,000 cordobas.

"By the time we get paid, the money has already been spent just to pay for food," said Alberto Ruiz, 32, a government construction foreman. He said most families had given up eating meat, and many had been reduced to one meal a day.

Experts say the collapse of real wages masks an increasing reliance on barter, payments in kind, gifts from relatives abroad, and unrecorded transactions on the black market — the so-called informal economy.

## Massachusetts Approves Gay-Rights Bill

Washington Post Service

BOSTON — After 17 years of debate, the Massachusetts legislature has given final approval to a sweeping civil-rights law for homosexuals, the second statewide gay-rights bill in the nation.

The legislation, which cleared the Senate 21 to 9 on Monday, would ban discrimination against gay men and women in housing, employment, credit, insurance and public accommodations. It now

awaits the signature of Governor Michael S. Dukakis, who has said that he would sign it.

The law will protect homosexuals by expanding the powers of the Massachusetts Commission Against Discrimination, an agency that protects racial minorities, the elderly and the handicapped. The legislation outlaws discrimination based on "sexual orientation," defined as heterosexuality, homosexuality or bisexuality.

Supporters of the bill were forced to accept a series of concessions demanded by conservatives. As amended, the law excludes from protection anyone "whose sexual orientation involves minor children as the sex object" and states that the law is not to be construed as "an approval or endorsement of homosexuality or bisexuality."

Wisconsin passed a similar statute seven years ago.

## ANNOUNCING THE CHASE/HERALD TRIBUNE SCHOLARSHIP for the INSEAD MBA Program

Chase Manhattan Bank and the International Herald Tribune announce the Chase-Herald Tribune Scholarship to be awarded to an outstanding admitted candidate to the INSEAD MBA Program.

The creation of this scholarship emphasizes the continuing commitment of both corporate sponsors to the practice of international business and to the institutions which advance it.

Chase and the IHT will provide a full tuition scholarship that will enable a young person who has displayed outstanding potential as a leader in international management to seek an MBA at INSEAD.

In the 30 years since INSEAD (the European Institute of Business Administration) was founded in Fontainebleau, just south of Paris, it has become one of Europe's leading graduate business schools. Approximately 420 young people representing 30 to 35 different nationalities graduate from INSEAD each year.

INSEAD uses interactive learning methods, forming multicultural groups to examine and solve problems in areas such as marketing, finance, organizational psychology and political analysis. In ten months of intensive work, students earn not only an internationally recognized graduate business degree, but also the opportunity to move quickly to higher management levels, particularly with the many firms that keep an eye on INSEAD's crop of graduates.

The Chase-Herald Tribune Scholarship competition is open to persons who have shown particular interest in the field of international finance or communications (publishing, media, advertising, public relations). Candidates must fulfill INSEAD's admission requirements.

They must be between 23 and 35, have a solid educational background and demonstrate through previous experience their managerial abilities. They must prove their quantitative and verbal reasoning abilities by taking the Graduate Management Admission Test. Because the program is bilingual, candidates must be fluent in English and have a good working knowledge of French.

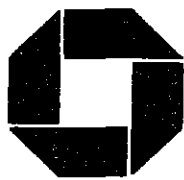
The Scholarship is for the academic year beginning September 1990.

To enter the Scholarship contest, candidates should apply to INSEAD soon. The GMAT will be held January 27, 1990. The Chase-Herald Tribune Scholarship and INSEAD applications must reach INSEAD before March 1, 1990, and include an essay of not more than 1,000 words on one of the following subjects:

— *The Role and Responsibility of the Media in Economic Progress*  
— *International Financial Institutions with regard to LDC Debt*

The Chase-Herald Tribune scholar will be selected from scholarship candidates admitted by INSEAD in June, 1990, by a panel composed of senior executives from Chase Manhattan Bank, the International Herald Tribune and INSEAD.

In order to obtain the necessary documents to apply to the INSEAD MBA Program and the Scholarship, please complete and return the coupon below.



CHASE

INTERNATIONAL  
Herald Tribune

THE CHASE/HERALD TRIBUNE SCHOLARSHIP

Admissions Department, INSEAD/Boulevard de Constance, 77305 Fontainebleau Cedex, France.

Name: _____	Have you taken the GMAT before? <input type="checkbox"/> Yes <input type="checkbox"/> No
Surname: _____	If yes, please state the scores: _____
Address: _____	
Nationality: _____	Age: _____
University Degree: _____	Year awarded: _____
Subject: _____	
Current job title: _____	
Company: _____	

8-11-89

Standard of French:	<input type="checkbox"/> Fluent <input type="checkbox"/> Working knowledge <input type="checkbox"/> Rusty
Standard of English:	<input type="checkbox"/> Fluent <input type="checkbox"/> Working knowledge <input type="checkbox"/> Rusty



## *'Threepenny Opera': Sting, but No Spirit*

[illegible]

*James Helme Sutcliffe is a Berlin-based critic and musician.*







NYSE Most Actives					
Vol.	High	Low	Chg.	Chg.	Chg.
IBM	162,000	162 1/4	161 3/4	+ 1/4	+ 1/4
AT&T	120,000	120 1/4	119 3/4	+ 1/4	+ 1/4
GE	110,000	110 1/4	109 3/4	+ 1/4	+ 1/4
Merck	100,000	100 1/4	99 3/4	+ 1/4	+ 1/4
Amgen	90,000	90 1/4	89 3/4	+ 1/4	+ 1/4
Boeing	80,000	80 1/4	79 3/4	+ 1/4	+ 1/4
McDonald's	70,000	70 1/4	69 3/4	+ 1/4	+ 1/4
Johnson & Johnson	60,000	60 1/4	59 3/4	+ 1/4	+ 1/4
Walmart	50,000	50 1/4	49 3/4	+ 1/4	+ 1/4
Wal-Mart	40,000	40 1/4	39 3/4	+ 1/4	+ 1/4

Market Sales					
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume
NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume	NYSE 4 a.m. volume

NYSE Index					
Composite	High	Low	Chg.	Chg.	Chg.
Composite	18,757 1/2	18,757 1/2	18,757 1/2	+ 1/2	+ 1/2
Industrial	18,757 1/2	18,757 1/2	18,757 1/2	+ 1/2	+ 1/2
Utilities	18,757 1/2	18,757 1/2	18,757 1/2	+ 1/2	+ 1/2
Financial	18,757 1/2	18,757 1/2	18,757 1/2	+ 1/2	+ 1/2
Transportation	18,757 1/2	18,757 1/2	18,757 1/2	+ 1/2	+ 1/2

NYSE Diary					
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues

NASDAQ Index					
Composite	High	Low	Chg.	Chg.	Chg.
Composite	4,494 1/2	4,494 1/2	4,494 1/2	+ 1/2	+ 1/2
Industrial	4,494 1/2	4,494 1/2	4,494 1/2	+ 1/2	+ 1/2
Utilities	4,494 1/2	4,494 1/2	4,494 1/2	+ 1/2	+ 1/2
Financial	4,494 1/2	4,494 1/2	4,494 1/2	+ 1/2	+ 1/2
Transportation	4,494 1/2	4,494 1/2	4,494 1/2	+ 1/2	+ 1/2

NASDAQ Diary					
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues

AMEX Most Actives					
Vol.	High	Low	Chg.	Chg.	Chg.
AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives
AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives
AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives
AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives	AMEX Most Actives

Dow Jones Bond Averages					
Bond	High	Low	Chg.	Chg.	Chg.
Bond	High	Low	Chg.	Chg.	Chg.
Bond	High	Low	Chg.	Chg.	Chg.
Bond	High	Low	Chg.	Chg.	Chg.
Bond	High	Low	Chg.	Chg.	Chg.

NYSE Diary					
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues

Odd-Lot Trading in N.Y.					
Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11
Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11
Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11
Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11
Nov. 6	Nov. 7	Nov. 8	Nov. 9	Nov. 10	Nov. 11

Dow Jones Averages					
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.

Standard & Poor's Index					
Industrial	High	Low	Chg.	Chg.	Chg.
Industrial	High	Low	Chg.	Chg.	Chg.
Industrial	High	Low	Chg.	Chg.	Chg.
Industrial	High	Low	Chg.	Chg.	Chg.
Industrial	High	Low	Chg.	Chg.	Chg.

NASDAQ Diary					
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues
Advanced	Declined	Unchanged	New Issues	New Issues	New Issues

AMEX Stock Index					
High	Low	Chg.	Chg.	Chg.	Chg.
High	Low	Chg.	Chg.	Chg.	Chg.
High	Low	Chg.	Chg.	Chg.	Chg.
High	Low	Chg.	Chg.	Chg.	Chg.
High	Low	Chg.	Chg.	Chg.	Chg.

## Tokyo Shares Of Deutsche Set at 646 DM

FRANKFURT — Deutsche Bank AG said Tuesday that it plans to issue in Tokyo on Thursday would be priced at 646 Deutsche marks (\$349).

The issue price was above Tuesday's close of 644 DM, down from 659.5 DM on Monday. Analysts said that if the 646 DM issue price was still above the market price on Thursday, shares were less likely to flow back to West Germany immediately.

Deutsche, the first West German bank to issue shares in Tokyo, announced Oct. 25 that it would issue a nominal 60 million DM.

The bank said it had agreed with consortium members that the issue price would be close to Deutsche's bourse price on Oct. 30, when it was quoted at 648.

## Interest Rate Hopes Boost NYSE

NEW YORK — Stock prices closed higher Tuesday in active trading on the New York Stock Exchange as renewed speculation about a drop in interest rates bolstered the market.

The Dow Jones industrial average, which tumbled 47.34 points Monday, rose 14.96 to close at 2,597.13.

Among broader market indicators, the New York Stock Exchange composite index closed up 0.97 to 185.74. Standard & Poor's 500-stock index rose 2.20 to 334.81. The price of an average share climbed 19 cents.

Advances led declines by a 4-3 ratio, while Big Board volume rose to 163.0 million shares compared with the 135.4 million shares traded Monday.

After the release of a stronger-than-expected October job report Friday, investors shelved hopes of any immediate drop in interest rates.

But reports said the U.S. central bank temporarily added money to the banking system late Tuesday morning, a move that sometimes indicates it wants interest rates to come down.

Analysts said the Fed's exact intentions were not clear but emphasized that the move reassured a market that in recent days has been confronted with disappointing corporate earnings, weak car sales and evidence of a slowdown in the economy.

"The move indicated at least a little willingness by the Fed to eliminate some of the (upward) pressure on rates," said Jeff Kaminsky, head of institutional sales trading at Mabon, Nugent & Co.

"Even if they do this in a small way, it gives investors some confidence to get back into the market," he said. "People who were looking for bargains had some impetus to do so because of the Fed move."

Mr. Kaminsky also noted some strength in the technology sector, which has taken a beating in recent sessions.

Chemical Banking was the most active NYSE issue, closing down 1/4 to 31 1/2.

Philip Morris followed, up 1/4 to 40 1/2.

Tosco was third, surging 7 1/2 to 25 1/2 after reports it had hired an investment advisor to assess offers for all or part of the company.

In the technology sector, Compaq jumped 2 1/2 to 91 1/2 as investors responded favorably to the new line of personal computers the company introduced Monday. Digital Equipment rose 1/2 to 88 1/2 after unveiling new desktop computers and Hewlett-Packard gained 1/4 to 43 1/2.

In the blue-chip sector, Boeing lost 1/2 to 53 1/2 after reports Monday it had agreed to plead guilty to criminal charges involving the unauthorized use of classified Pentagon planning documents in the mid-1980s. But AT&T rose 1/4 to 43 1/2, IBM added 1/4 to 97 1/2, and Woolworth gained 1/4 to 59 1/2.

Prices closed mixed in moderate trading on the American Stock Exchange.

The Amex Market Value index fell 0.17 to 368.51. The price of an average share lost 1 cent. Composite volume totaled 13.07 million shares, compared with 11.62 million shares traded Monday.

## World Stock Markets

Amsterdam					
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.
Open	High	Low	Last	Chg.	Chg.

## U.S. Futures

Grains					
Wheat (CBT)	High	Low	Open	High	Low
Wheat (CBT)	High	Low	Open	High	Low
Wheat (CBT)	High	Low	Open	High	Low
Wheat (CBT)	High	Low	Open	High	Low
Wheat (CBT)	High	Low	Open	High	Low

Food					
Pork Bellies (CBT)	High	Low	Open	High	Low
Pork Bellies (CBT)	High	Low	Open	High	Low
Pork Bellies (CBT)	High	Low	Open	High	Low
Pork Bellies (CBT)	High	Low	Open	High	Low
Pork Bellies (CBT)	High	Low	Open	High	Low

London					
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low

Paris					
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low
Gold	High	Low	Open	High	Low

## Livestock

Cattle (CBT)					
High	Low	Open	High	Low	Open
High	Low	Open	High	Low	Open
High	Low	Open	High	Low	Open
High	Low	Open	High	Low	Open
High	Low	Open	High	Low	Open

Metals					
Copper (COMEX)	High	Low	Open	High	Low
Copper (COMEX)	High	Low	Open	High	Low
Copper (COMEX)	High	Low	Open	High	Low
Copper (COMEX)	High	Low	Open	High	Low
Copper (COMEX)	High	Low	Open	High	Low

Stock Indexes					
SP 500	High	Low	Open	High	Low
SP 500	High	Low	Open	High	Low
SP 500	High	Low	Open	High	Low
SP 500	High	Low	Open	High	Low
SP 500	High	Low	Open	High	Low

U.S. Treasuries					
3-month bill	High	Low	Open	High	Low
3-month bill	High	Low	Open	High	Low
3-month bill	High	Low	Open	High	Low
3-month bill	High	Low	Open	High	Low
3-month bill	High	Low	Open	High	Low

## Currency Options

Philadelphia Exchange					
Option	High	Low	Open	High	Low
Option	High	Low	Open	High	Low
Option	High	Low	Open	High	Low
Option	High	Low	Open	High	Low
Option	High	Low	Open	High	Low

Financial					
U.S. T. Bills (IMM)	High	Low	Open	High	Low
U.S. T. Bills (IMM)	High	Low	Open	High	Low
U.S. T. Bills (IMM)	High	Low	Open	High	Low
U.S. T. Bills (IMM)	High	Low	Open	High	Low
U.S. T. Bills (IMM)	High	Low	Open	High	Low

Company Results					
Revenue	Profit	Loss	Profit	Loss	Profit
Revenue	Profit	Loss	Profit	Loss	Profit
Revenue	Profit	Loss	Profit	Loss	Profit
Revenue	Profit	Loss	Profit	Loss	Profit
Revenue	Profit	Loss	Profit	Loss	Profit

Dividends					
Company	Dividend	Yield	Dividend	Yield	Dividend
Company	Dividend	Yield	Dividend	Yield	Dividend
Company	Dividend	Yield	Dividend	Yield	Dividend
Company	Dividend	Yield	Dividend	Yield	Dividend
Company	Dividend	Yield	Dividend	Yield	Dividend

EC Says U.S. Fails To Heed 2 Rules

GENEVA — The European Community on Tuesday accused the United States of creating "a yawning credibility gap" in world trade by failing to change two import fees in line with international rules.

Canada and Mexico joined the 12-nation community in demanding, at the regular meeting of the ruling council of the General Agreement on Tariffs and Trade, that Washington explain what it intended to do to amend the two fees. The fees had been found illegal by the world trade body two years ago.

Separate GATT disputes panels ruled in 1987 that the United States should amend both its superfund oil tax and its customs user fee. The panels said the superfund tax was discriminatory, since tax on domestic oil was higher than on imported oil, and the customs fee exceeded the real cost of processing imports and had become a source of U.S. revenue.



# Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Stock	Div	Yld	PE	High	Low	PM	City
AA				11.11	11.11		
AB				11.11	11.11		
AC				11.11	11.11		
AD				11.11	11.11		
AE				11.11	11.11		
AF				11.11	11.11		
AG				11.11	11.11		
AH				11.11	11.11		
AI				11.11	11.11		
AJ				11.11	11.11		
AK				11.11	11.11		
AL				11.11	11.11		
AM				11.11	11.11		
AN				11.11	11.11		
AO				11.11	11.11		
AP				11.11	11.11		
AQ				11.11	11.11		
AR				11.11	11.11		
AS				11.11	11.11		
AT				11.11	11.11		
AU				11.11	11.11		
AV				11.11	11.11		
AW				11.11	11.11		
AX				11.11	11.11		
AY				11.11	11.11		
AZ				11.11	11.11		
BA				11.11	11.11		
BB				11.11	11.11		
BC				11.11	11.11		
BD				11.11	11.11		
BE				11.11	11.11		
BF				11.11	11.11		
BG				11.11	11.11		
BH				11.11	11.11		
BI				11.11	11.11		
BJ				11.11	11.11		
BK				11.11	11.11		
BL				11.11	11.11		
BM				11.11	11.11		
BN				11.11	11.11		
BO				11.11	11.11		
BP				11.11	11.11		
BQ				11.11	11.11		
BR				11.11	11.11		
BS				11.11	11.11		
BT				11.11	11.11		
BU				11.11	11.11		
BV				11.11	11.11		
BW				11.11	11.11		
BX				11.11	11.11		
BY				11.11	11.11		
BZ				11.11	11.11		
CA				11.11	11.11		
CB				11.11	11.11		
CC				11.11	11.11		
CD				11.11	11.11		
CE				11.11	11.11		
CF				11.11	11.11		
CG				11.11	11.11		
CH				11.11	11.11		
CI				11.11	11.11		
CJ				11.11	11.11		
CK				11.11	11.11		
CL				11.11	11.11		
CM				11.11	11.11		
CN				11.11	11.11		
CO				11.11	11.11		
CP				11.11	11.11		
CQ				11.11	11.11		
CR				11.11	11.11		
CS				11.11	11.11		
CT				11.11	11.11		
CU				11.11	11.11		
CV				11.11	11.11		
CW				11.11	11.11		
CX				11.11	11.11		
CY				11.11	11.11		
CZ				11.11	11.11		
DA				11.11	11.11		
DB				11.11	11.11		
DC				11.11	11.11		
DD				11.11	11.11		
DE				11.11	11.11		
DF				11.11	11.11		
DG				11.11	11.11		
DH				11.11	11.11		
DI				11.11	11.11		
DJ				11.11	11.11		
DK				11.11	11.11		
DL				11.11	11.11		
DM				11.11	11.11		
DN				11.11	11.11		
DO				11.11	11.11		
DP				11.11	11.11		
DQ				11.11	11.11		
DR				11.11	11.11		
DS				11.11	11.11		
DT				11.11	11.11		
DU				11.11	11.11		
DV				11.11	11.11		
DW				11.11	11.11		
DX				11.11	11.11		
DY				11.11	11.11		
DZ				11.11	11.11		
EA				11.11	11.11		
EB				11.11	11.11		
EC				11.11	11.11		
ED				11.11	11.11		
EE				11.11	11.11		
EF				11.11	11.11		
EG				11.11	11.11		
EH				11.11	11.11		
EI				11.11	11.11		
EJ				11.11	11.11		
EK				11.11	11.11		
EL				11.11	11.11		
EM				11.11	11.11		
EN				11.11	11.11		
EO				11.11	11.11		
EP				11.11	11.11		
EQ				11.11	11.11		
ER				11.11	11.11		
ES				11.11	11.11		
ET				11.11	11.11		
EU				11.11	11.11		
EV				11.11	11.11		
EW				11.11	11.11		
EX				11.11	11.11		
EY				11.11	11.11		
EZ				11.11	11.11		
FA				11.11	11.11		
FB				11.11	11.11		
FC				11.11	11.11		
FD				11.11	11.11		
FE				11.11	11.11		
FF				11.11	11.11		
FG				11.11	11.11		
FH				11.11	11.11		
FI				11.11	11.11		
FJ				11.11	11.11		
FK				11.11	11.11		
FL				11.11	11.11		
FM				11.11	11.11		
FN				11.11	11.11		
FO				11.11	11.11		
FP				11.11	11.11		
FQ				11.11	11.11		
FR				11.11	11.11		
FS				11.11	11.11		
FT				11.11	11.11		
FU				11.11	11.11		
FV				11.11	11.11		
FW				11.11	11.11		
FX				11.11	11.11		
FY				11.11	11.11		
FZ				11.11	11.11		
GA				11.11	11.11		
GB				11.11	11.11		
GC				11.11	11.11		
GD				11.11	11.11		
GE				11.11	11.11		
GF				11.11	11.11		
GG				11.11	11.11		
GH				11.11	11.11		
GI				11.11	11.11		
GJ				11.11	11.11		
GK				11.11	11.11		
GL				11.11	11.11		
GM				11.11	11.11		
GN				11.11	11.11		
GO				11.11	11.11		
GP				11.11	11.11		
GQ				11.11	11.11		
GR				11.11	11.11		
GS				11.11	11.11		
GT				11.11	11.11		
GU				11.11	11.11		
GV				11.11	11.11		
GW				11.11	11.11		
GX				11.11	11.11		
GY				11.11	11.11		
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Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
Via The Associated Press

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17 Month		1930		1931		1932		1933		1934		1935		1936		1937		1938		1939		1940		1941		1942		1943		1944		1945		1946		1947		1948		1949		1950		1951		1952		1953		1954		1955		1956		1957		1958		1959		1960		1961		1962		1963		1964		1965		1966		1967		1968		1969		1970		1971		1972		1973		1974		1975		1976		1977		1978		1979		1980		1981		1982		1983		1984		1985		1986		1987		1988		1989		1990		1991		1992		1993		1994		1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029		2030	
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The name to remember in:  
Power Systems and Equipment  
Information and Communication Systems  
Consumer Products Electronic Devices  
Industrial Machinery and Plants

***Rates shown are for six — not five — full issues per week.***

Country/Currency		12 months + 5% ISSUES	ONE-YEAR SAVINGS	6 months + 2% ISSUES
Austria	A.Sch.	4,400	3,608	2,500
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	2,700	1,304	1,500
Finland	F.M.	1,760	1,334	970
France	F.F.	1,500	1,230	830
Germany (mail)	D.M.	580	403	320
— *hand delivery	D.M.	739	103	379
Great Britain	£	140	97.00	77
Greece (mail)	Dr.	29,000	25,600	16,000
— hand delivery Athens, Thessaloniki	Dr.	33,000	21,600	18,000
Ireland	£IrL	155	136	85
Italy	Lire	430,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,000	1,276	1,100
— **hand delivery	N.Kr.	2,500	776	1,400
Portugal	Esc.	29,000	29,240	16,000
Spain (mail)	Ptas.	32,000	22,600	17,600
— ***hand delivery Barcelona, Bilbao, Seville	Ptas.	32,000	22,600	17,600
— ***hand delivery Madrid	Ptas.	46,800	—	23,400
Sweden (airmail)	S.Kr.	2,000	1,276	1,100
— **hand delivery	S.Kr.	2,500	776	1,400
Switzerland	S.Fr.	455	455	255
Rest of Europe, North Africa, former French Africa, Middle East	\$	470	Varies by country	260
Rest of Africa, Gulf States, Asia	\$	620		340
Central/Latin America	\$	540		295

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\*\* At these cities, you can get morning papers by morning delivery. The following cities: Berlin, Copenhagen, Stockholm, Göteborg and Malmö.

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**NYSE Highs-Lows**[illegible]

## AMEX Highs-Lows

NEW HIGHS. 78				
Adm/Med n	Am Trn arm	Am Tole us	Courtn Inc	
Corona	Echobay	Klear Vu	Peppesd Co	
Vernam Am s	Worthenbk			
NEW LOWS 31				
Allstord Ints	Am Cae Co	AMT-T arm	Am Tr	
Am T-bm arm	Audwax	Baldwin Sec	Berkshide	
Bloir Co	Buckhale	Beveling	Carn Inc	
Deslantic Inc	Dowell Co	Escapen	Forum Rm	
Germphat Inc	Germ Ints Inc	Hovak	Univamer	
Kamell Int	Kamell Int	Kewlestar	Nort Tech	
Shopee	SMITHAD A	Smithlad at	Wingars	
Whitcomb				

هكذا في الأصل



## BUSINESS BRIEFS

## Japanese Vehicle Exports to EC Fall

TOKYO (Reuters) — Japanese vehicle exports to the European Community fell to 975,524 units in the nine months ended Sept. 30, down 2.2 percent from a year earlier, according to the Japan Automobile Manufacturers Association.

The Japanese auto industry has set its target 1989 export quota for the community at 1.25 million vehicles, but industry officials said Tuesday that because of slow demand, Japan's EC exports will almost certainly fall below quota and may drop below actual export levels of a year ago.

The Japan Automobile Importers Association said that Japanese sales of imported cars jumped 26.7 percent to 13,290 vehicles in October.

## Polly Peck to Sell Hong Kong Unit

LONDON (Reuters) — Polly Peck International PLC said Tuesday it plans to sell its 74 percent interest in Polly Peck Far East Ltd. for \$38.3 million (\$60.5 million).

Polly Peck said the disposal of its Hong Kong unit is part of the company's planned disposal of its textile interests.

In conjunction with the sale, Polly Peck said it would purchase the unit's holdings in three companies — Santina Ltd., Agoli Industria & Comercio de Malhas Ltd. and Shell Electric Holdings Co. — for a total of £10.8 million. This will leave net proceeds from the sale at £27.5 million.

## Shearson Warns of More Staff Cuts

NEW YORK (NYT) — Shearson Lehman Hutton Inc. has warned its employees to brace for another round of layoffs in the next few weeks, and officials said privately that the number of those dismissed could be as high as 700 to 800 of the company's present 38,500 employees.

Shearson's staff reduction would be the largest in many months on Wall Street. A spokesman for the company said the cuts would occur in all departments and reflected a continuing slowdown in U.S. financial markets, but that those with backoffice functions, like operations and systems management, are likely to be the most affected.

## \$1.2 Billion U.S. Investment in Italy

NEW YORK (Reuters) — Texas Instruments Inc. said Tuesday that its Italian subsidiary, Texas Instruments SPA, has entered into a four-year, \$1.2 billion investment agreement with the Italian government aimed at expanding the company's operations in Europe.

The Italian unit will upgrade and expand its submicron CMOS process capabilities for semiconductors, and upgrade its Italian electrical controls and consumer manufacturing operations. Texas Instruments said the program includes the addition of a dynamic random-access memory production capacity and an applications research center at Avezzano.

## NCR Unveils Faster, IBM-Linked PC

NEW YORK (Reuters) — NCR Corp. said Tuesday that its NCR PC486/MC would be among the first personal computers using Intel Corp.'s 486 high-speed microprocessor and International Business Machines Corp.'s Micro Channel when it is delivered next month.

NCR also said it had reached an agreement to supply personal computers to Businessland Inc., the computer retailing chain.

NCR said its new personal computer would be three times faster than the currently available Intel 386-megahertz 80386-based model and would include an interface controller, which provides built-in support for up to seven devices, and a high-performance memory caching system.

## New Finnish Shipbuilder Registered

HELSINKI (AP) — A new Finnish company, Masa-Yards, was registered Tuesday, built on the ruins of the bankrupt Wartila Marine in a bid to save the country's shipbuilding business.

Wartila Marine, one of the world's leading shipbuilders, folded last month after accumulating losses of about \$400 million.

## UAL Machinists and Coniston to Meet

NEW YORK (Reuters) — Officials of United Airlines' machinists union said Tuesday they will meet Wednesday in Washington with Coniston Partners, the New York-based investment firm that is seeking to oust the board of United's parent company, UAL Corp.

Coniston has said that if it succeeds in ousting the board through a consent solicitation it will explore recapitalizing, restructuring, merging or selling the company. The machinists have opposed a leveraged transaction for UAL.

## B&amp;C to Sell Gartmore Unit

## Move Aimed at Reducing Debt, Deterring Hostile Bids

LONDON — British & Commonwealth Holdings PLC said Tuesday that it plans to sell its Gartmore Investment Management Ltd. unit for more than £130 million (\$205.3 million).

B&C said the move to sell Gartmore, an investment firm with \$5.4 billion in funds under management, was part of its plan to focus its resources on its core financial services businesses and to reduce its roughly \$900 million in debt.

"We felt we needed to address the market's concern that our debt was too high in a period of high interest rates," said Peter Goldie, the B&C chief executive.

Analysts said the disposal of Gartmore would not be enough to reduce borrowings to an acceptable level and that the company would have to shed its holdings in at least three other businesses.

"They needed one major deal but it will not be enough," said Alex Robinson, an analyst at the Smith New Court PLC brokerage. B&C said the £130 million price was a conservative estimate and that it hoped to reap considerably more from the sale of the unit.

"The rule of thumb is that you get about 2 percent of funds under management for a group like this," Mr. Goldie said. "That would be £130 million in Gartmore's case, but we hope to get a significant premium over that."

Mr. Goldie said the premium would be based on Gartmore's size, reputation and spread of funds under management.

David Poutney, an analyst at James Capel & Co., said B&C could raise another £120 million to £150 million from the sale of its holdings Woodchester Investments PLC, a leasing company, London Forfeiting Co., a financing concern, and the merchant bank Singer & Friedlander Group PLC.

"That should bring a sizeable reduction in their net debt," Mr. Poutney said.

Ms. Robinson of Smith New Court said B&C would probably not sell its computer leasing subsidiary, Atlantic Computers PLC, as the business was acquired only last year for £411 million.

She said that B&C would also not sell its Exco International PLC

money brokerage unit, which has been the core of the group's profits.

Mr. Goldie stressed B&C was not withdrawing from the fund management business, as it would retain Oppenheimer Fund Management Inc. in the United States and Stock Group in Britain, which together have £11.5 billion total funds under management.

Some market sources had suggested that the B&C disposal program was designed to pre-empt a hostile bid to break up the company. Analysts put the group's potential break-up value at about 200 pence per share.

B&C shares rose 7 pence to 126 at midday on Tuesday following the announcement of the sale.

Mr. Goldie denied, however, that fear of a takeover bid prompted the move. "This is not the purpose of the exercise," he said.

Ms. Robinson said the Gartmore sale could have the effect of flushing out a predator. "Somebody might want to buy the entire group before the sell-off," she said.

But other analysts said there was little danger of a bid while B&C was disposing of assets.

## Morgan Talks With Barclays Are Called Off

LONDON — Morgan Grenfell Group PLC said Tuesday that talks with Barclays de Zoete Wedd had been discontinued.

Barclays said Monday that it had received an approach from Morgan. Banque Indosuez of France has a 24.8 percent stake in Morgan, but Morgan's chairman, John Craven, is not enthusiastic about a merger.

He said that "now that we have got Suez" as a shareholder, the bank had "to look, to see some other association with some other house that would make sense."

Mr. Craven said the bank was having "exploratory talks with a very limited number" of other companies, but that "we have not reached the conclusion that there's no alternative" except to be acquired.

Morgan's share price rose on the news and was quoted at 469 pence (£740), up from Monday's 468 pence.

## BAT Ends Paribas Link Because of Hoylelake Bid

LONDON — BAT Industries PLC said Tuesday that it had fired Compagnie Financière de Paribas as its senior financial adviser in France because of its involvement in Sir James Goldsmith's hostile bid for BAT.

"Paribas proved pretty fickle," a BAT spokesman said. He said as a result of the French bank's relationship with Sir James's Hoylelake Investments Ltd., it has appointed Crédit Lyonnais as its new French financial adviser.

A Paribas spokesman said, however, that the bank had not received any word from BAT, "and until we do, we will continue to represent them in France."

Paribas handled BAT's stock market listing in Paris two years ago, a job normally worth 1 million to 2 million francs (\$160,000 to \$320,000) in fees. Since then, Paribas has acted in a minor role to distribute financial information about the company in France, including, ironically, information on Hoylelake's bid on BAT.

"It's kind of strange for them to be acting now, all of a sudden," said a Paribas source. "They could have made their point in the very beginning."

Like many merchant banks, Paribas says it maintains a so-called Chinese wall to separate its investment activities from its client services and thereby prevent conflicts of interest.

BAT said the rift with Paribas stemmed from the French bank's decision to invest in the Hoylelake consortium and to back Axa Midi Assurances in its plans to buy BAT's U.S. insurance unit, Farmers Group Inc., should Hoylelake's bid for the British company succeed.

The £13.4 million (\$21.16 billion) Hoylelake bid has officially lapsed, but the consortium has received the green light to renew the

offer once U.S. insurance authorities rule on whether they will allow Farmers to be acquired by the British company. (Reuters, IHT, AFP)

## Mixte Has 5.2% of Paribas

Compagnie de Navigation Mixte holds 5.39 million shares, or 5.2 percent, of Paribas stock, the French stock exchanges association said Tuesday. Reuters reported.

Mixte, the subject of a 22 billion franc (\$3.5 billion) bid by Paribas, said last week that it had taken a stake of over 5 percent in Paribas but did not specify exactly how much.

## Braniff Halts All Flights as Plan Crumbles

The Associated Press

ORLANDO, Florida — Braniff Inc., the troubled U.S. airline, announced at midnight Monday that it was ceasing passenger services immediately because a severe cash shortage doomed its bankruptcy reorganization plan.

Chairman William G. McGee said the action was taken to preserve assets while Braniff continues to develop alternatives, which might include selling the airline.

Braniff, which operated 46 of its 256 pre-bankruptcy flights Friday, was the first major carrier to file for bankruptcy following U.S. airline deregulation in the 1980s.

It emerged as a smaller carrier in 1984, but claimed weekly losses of about \$1.5 million before filing for Chapter 11 protection again on Sept. 28. It had a loss of \$31.8 million on revenue of \$293 million in the first half.

## JAL Lifts Earnings 40%

TOKYO — Japan Airlines Ltd. announced Tuesday that its profit rose 39.4 percent to 24.87 billion yen (\$173.4 million) in the six months ended Sept. 30.

Revenue grew by 11.3 percent to 535.50 billion yen, the carrier said. The increase came as international passenger revenue rose 15.1 percent to 118 billion yen, while domestic passenger sales climbed 10.5 percent to 290 billion yen.

JAL, Japan's national flag carrier, said it expects net profit for the 1989-90 financial year to grow to 20 billion yen, from 17.33 billion in the previous year.

The airline said it expects revenue to increase to 1.02 trillion yen this year from 935.75 billion the previous year.

In the latest six-month period, JAL said international passenger traffic grew 5.9 percent to 4.16 million passengers, with reduced travel to China and a weaker yen offset by strong Japanese tourist demand and the easing of South Korean travel curbs. (AFP, Reuters)

## Venezuela to Buy Last 50% of Citgo for \$675 Million Cash

By Thomas C. Hayes

DALLAS — In what would be the first case of an OPEC member owning all of a large U.S. oil refiner and marketer, Venezuela's state-owned oil company has agreed to acquire the remaining 50 percent of Citgo Petroleum Corp.

Petróleos de Venezuela, which bought half of Citgo from Southland Corp. three years ago for \$400 million, said Monday it had reached a preliminary agreement to pay \$675 million in cash for the rest of Citgo. Southland said the final terms of the deal were still being discussed.

Southland, which owns the 7-Eleven chain of convenience stores, said it would continue selling Citgo brand gasoline at its stores.

The company, based in Dallas, has been selling assets to raise cash to lower debt taken on two years ago when Southland was taken private in a \$4.9 billion buyout.

Rosario S. Ilacqua, an analyst at Nikko Securities International Inc. in New York, said members of the Organization of Petroleum Exporting Countries wanted to assure future outlets for their oil production, and the United States was the world's biggest market.

Two OPEC members, Saudi Arabia and Nigeria, have already made moves into the U.S. market.

A year ago, Saudi Arabia paid \$1.25 billion in cash and oil for 50 percent of Texaco Inc.'s refining and marketing system in 23 Eastern and Gulf Coast states.

Last month, National Petroleum Corp. in Nigeria signed an agreement to buy 49 percent of a Kansas refinery for an undisclosed amount from Farmland Industries.

Last year, Citgo was the ninth-largest U.S. gasoline marketer, selling 5.2 billion gallons (19.7 billion liters), according to National Petroleum News, an industry publication.

Citgo has been increasingly profitable in recent years. It earned \$75.7 million for the first half of the year, matching its profit from the corresponding period in 1988 — its most profitable year.

Over all, the company's profits nearly doubled in 1988, to \$165.6 million, compared with \$85.7 million in 1987. Its sales last year totalled \$4.1 billion, compared with \$3.9 billion in 1987.

## Thomson Profit To Fall by 10%

Reuters

PARIS — Thomson-CSF, the big French electronics and defense concern, expects a fall in profit of up to 10 percent for the whole of 1989, compared with 1988, Chairman Alain Gomez said Tuesday.

The company reported a 1988 attributable net profit of 2.97 billion francs (\$473 million), and had previously said that profit this year would be lower because of reduced financial earnings.

Thomson last week announced that it would partially merge its Thomson-CSF Finance unit into the state-owned bank, Crédit Lyonnais, in return for a 14 percent stake in the bank. France's premier defense-electronics group is to sell Lyonnais an initial 50.01 percent stake in the unit.

## TALK: No Need to Read Text, Just Listen to the Ad

(Continued from first finance page)

dollars in recent years to develop print ads that can talk. For the Texas Instruments talking ad, his company made the plastic module and amplifier in which the silicon chip is enclosed.

"The only reason there aren't more people in this business is that it is fraught with terror," said Mr. Hunt.

He doesn't say that lightly. Just a few years ago, when the technology was still new — there were some "musical" print ads for one liquor maker that wouldn't stop playing. And talking ads that fail to work properly can leave readers thoroughly confused.

Perhaps with that in mind, Intervisual Communications had inspectors check each one of the 160,000 Texas Instruments talking ads three times before leaving the assembly plant in Mexico. Even then — no thanks, in part, to the rigors of the U.S. Postal Service — about four out of every 1,000 talk-

ing ads fail to talk, the company estimates.

In a few weeks, readers of Vanity Fair will receive talking Christmas greetings from Absolut Vodka. That ad is a joint effort of an Emeryville, California, company, Electronic Speech Systems Corp., which designed the voice-mimicking system, and Essex, Connecticut-based Structural Graphics, which helped develop the technology to package it.

The ad says, "Absolut Vodka wishes you Merry Christmas... Buon Natale... Feliz Navidad... Happy Hanukkah."

"We have made our print ads play music, move and now, speak," said Richard McEvoy, senior vice president for sales and marketing at Casillon Importers Ltd., the U.S. importer of Absolut Vodka. "We intend to go further."

How far? Well, he won't say. But experts say that talking ads may be just the beginning. "In the not-too-distant future, you'll open up your magazine, and it will talk to you specifically by name," said

Jim Guthrie, executive vice president of Magazine Publishers of America. "Imagine a magazine that says, 'Good Morning, Bruce, how'd you like to buy a Cadillac?'"

Similarly, experts say that so-called "interactive" talking ads will eventually ask questions to push and then direct readers to push specific buttons for individual responses. Intervisual Communications is now working on a print ad for one advertiser that will talk and flash lights at the same time.

Of course, all of this jabbering could backfire. "Magazine publishers have to be very careful about using these kinds of ads," warned Professor Ray of Stanford. "If too many advertisers start doing this, you could really turn readers off. And at a minimum, you could be wasting your money."

"It will be perceived as intrusive after the novelty wears off," he said. "You buy a print magazine for other reasons than to have it talk to you."

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# Dollar Weakens on Signs Fed Is Easing Rates

**NEW YORK** — The dollar fell sharply Tuesday on speculation that the Federal Reserve Board was moving to push interest rates lower.

Dealers said that a move by the U.S. central bank to supply temporary reserves to the market came as a surprise and sparked speculation that it had decided to ease its credit policies.

The dollar closed in New York at 1.8415 Deutsche marks, down from 1.8523 DM on Monday, and at 142.885 yen, down from 143.885.

## London Dollar Rates

Currency	Rate	% Chg.
Deutsche mark	1.8415	-0.58
Swiss franc	1.4155	-0.05
Japanese yen	142.885	-0.69
French franc	6.2470	-0.01
Italian lire	2.000	0.00

The British pound closed at \$1.8663, up from \$1.8770.

The U.S. unit also finished at 1.6155 Swiss francs, down from 1.6228 francs on Monday, and at 1.8415 Deutsche marks, down from 1.8523 DM on Monday, and at 142.885 yen, down from 143.885.

6.2470 French francs, down from 6.2785.

Traders said that recent sharp falls in Wall Street stock prices had also unnerved the dollar.

"Wall Street's trend has got interest-rate implications because recent data points to an easing" in Fed policies, said Jeremy Hawkins, a senior economic advisor at Bank of America.

"A weak Wall Street may tip the balance as far as the Fed is concerned," Mr. Hawkins added.

The dollar closed in London at 1.8415 Deutsche marks, down from 1.8523 DM on Monday, and at 142.885 yen, down from 143.885.

1.8509 DM on Monday, and at 143.46 yen, down from 143.65 yen.

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The U.S. unit also finished at 1.6155 Swiss francs, down from 1.6228 francs on Monday, and at 1.8415 Deutsche marks, down from 1.8523 DM on Monday, and at 142.885 yen, down from 143.885.

# Japan Weighs a Window for Foreign Banks

**TOKYO** — The Bank of Japan is likely to increase the range of money market funds accessible to foreign banks, in an attempt to appease dissatisfaction with the central bank's lending policy, bankers said Tuesday.

They expect the Bank of Japan to start making collateralized window loans to foreign banks, allowing them to borrow at the discount rate against Japanese government bonds and bills.

Currently, foreign banks can only raise cash in the interbank markets for uncollateralized call money and discount bills, where interest rates are set by the market, and have no access to funds at the discount rate.

Foreign banks have been asking the central bank to abolish or reduce the importance of discount-rate lending as a tool for controlling liquidity, on the grounds that it is unfair to noneligible institutions.

The Bank of Japan controls liquidity in the interbank markets through bill transactions early in the day, and by issuing or recalling discount loans later.

A bank official said he saw little possibility that the central bank would change its basic lending policy. But he said it was possible that the bank would introduce collateralized loans to foreign banks.

A treasury manager at a Japanese trust bank explained: "By allowing them new loans, the BOJ can both maintain the status quo and ease criticism among foreigners which could lead to new financial friction."

A U.S. bank manager said the possible step "is not what we really wanted, but there is no reason for us to refuse such loans because they could give us a free 300-basis-point spread." Japan's official discount rate is currently at 3.75 percent and the three-month certificate of deposit rate is around 6.7 percent.

Ironically, the foreign banks' complaints stem partly from a deregulation which they had urged.

Until last November, the Bank of Japan fixed rates in the uncollateralized market and kept them low. But then it allowed rates to float and the foreign banks were deprived of a low-cost market.

As a result, foreign banks' business has been squeezed. The outstanding balance of funds raised by foreign banks in the call and bill-discounting markets stood at 2.9 trillion yen (\$20.15 billion) at the end of October, less than half the level of a year earlier.

The bankers said the central bank was also likely to make its lending policy fairer by extending discount-rate loans to more regional banks.

Dealers said the news came as little surprise and that dollar buying for the auctions had already largely taken place.

Dealers said that forthcoming U.S. inflation data will be crucial to the dollar's performance because of the implications for policy.

The next major U.S. inflation report is Thursday's producer price index, which is expected to show a rise of 0.3 percent for October compared with a 0.9 percent increase in September.

**Treasury Bonds Rise**

Prices of U.S. Treasury bonds rose on Tuesday after the Federal Reserve System unexpectedly added liquidity to the markets via repurchase agreements, raising hopes of a possible easing in credit policy.

The key 8 1/4 percent 30-year bond rose to 102 25/32, pushing its yield down to 7.88 percent.

## Brittan Exhorts U.K. on EMS

**LONDON** — Britain's senior EC commissioner, rejecting Prime Minister Margaret Thatcher's approach, said Tuesday that the pound should be brought into the European Monetary System's exchange-rate mechanism soon.

Sir Leon Brittan, in a prepared speech, said there was "no good reason why Britain should not join the ERM within a very few months from now and many powerful reasons why it should."

He is European Community commissioner for competition policy and financial services.

## OECD Said to Forecast 3% Growth in 1990

**PARIS** — The Organization for Economic Cooperation and Development in its December semi-annual economic report makes preliminary 1990 forecasts of 3 percent growth in the industrial world, after 4 percent for the last two years, the Paris-based publication *Lettre de l'Expansion* reported Tuesday.

OECD sources would neither confirm nor deny the report. The agency in its June report had predicted growth of 2.75 percent in its 24 member countries next year.

The newsletter said the OECD was projecting that consumption would continue to rise by 3 percent next year, a quarter-point stronger than it saw in June.

Other OECD projections the newsletter reported included U.S. gross national product growth of 2.5 percent next year, up from the 2.25 percent forecast in June, and for the first time, a projection for 1991 — with growth set at the same level of 2.5 percent.

It said the OECD was projecting investment as the sole support to U.S. GNP growth next year, with automobile and home sales handicapped by high interest rates to contain inflation.

The U.S. current-account deficit would widen slightly in 1991, while the Japanese and West German surpluses would rise.

The newsletter reported the OECD as saying the dollar could fall as a result: it gave no details.

Growth in Japan is projected at 4.5 percent next year, a quarter-point stronger than June's projection, with an expansion of 4.2 percent in 1991.

The West German economy is expected to grow by 3.4 percent next year, much more robust than the 2.75 percent seen in June, but then slowing slightly to 3.2 percent in 1991, the newsletter reported.

The OECD's forecast for 1990 French growth has been raised to 3.1 percent from a prior 2.75 percent, with 1990 seen slowing fractionally to a 2.9 percent expansion, it said.

For Italy, the agency estimates 1990 growth at 3.1 percent, with 1991 expansion at 3.0 percent. The prior forecast for 1990 was 3.25 percent.

In contrast to other major industrial nations, British growth would be slower next year than in 1991, the newsletter quoted the OECD economists forecasting.

## Tuesday's NYSE Closing

Tables include the nationwide prices as to the closing on Wall Street and do not reflect late trading elsewhere.

(Continued)

12 Month	High	Low	Stock	Div	Yld	PE	52 Week	High	Low	PA	Chg
44	24	10	Alcoa	1.20	4.8	15	24	10	10	10	+
45	25	11	Amgen	1.20	4.8	15	25	11	11	11	+
46	26	12	Amgen	1.20	4.8	15	26	12	12	12	+
47	27	13	Amgen	1.20	4.8	15	27	13	13	13	+
48	28	14	Amgen	1.20	4.8	15	28	14	14	14	+
49	29	15	Amgen	1.20	4.8	15	29	15	15	15	+
50	30	16	Amgen	1.20	4.8	15	30	16	16	16	+
51	31	17	Amgen	1.20	4.8	15	31	17	17	17	+
52	32	18	Amgen	1.20	4.8	15	32	18	18	18	+
53	33	19	Amgen	1.20	4.8	15	33	19	19	19	+
54	34	20	Amgen	1.20	4.8	15	34	20	20	20	+
55	35	21	Amgen	1.20	4.8	15	35	21	21	21	+
56	36	22	Amgen	1.20	4.8	15	36	22	22	22	+
57	37	23	Amgen	1.20	4.8	15	37	23	23	23	+
58	38	24	Amgen	1.20	4.8	15	38	24	24	24	+
59	39	25	Amgen	1.20	4.8	15	39	25	25	25	+
60	40	26	Amgen	1.20	4.8	15	40	26	26	26	+
61	41	27	Amgen	1.20	4.8	15	41	27	27	27	+
62	42	28	Amgen	1.20	4.8	15	42	28	28	28	+
63	43	29	Amgen	1.20	4.8	15	43	29	29	29	+
64	44	30	Amgen	1.20	4.8	15	44	30	30	30	+
65	45	31	Amgen	1.20	4.8	15	45	31	31	31	+
66	46	32	Amgen	1.20	4.8	15	46	32	32	32	+
67	47	33	Amgen	1.20	4.8	15	47	33	33	33	+
68	48	34	Amgen	1.20	4.8	15	48	34	34	34	+
69	49	35	Amgen	1.20	4.8	15	49	35	35	35	+
70	50	36	Amgen	1.20	4.8	15	50	36	36	36	+
71	51	37	Amgen	1.20	4.8	15	51	37	37	37	+
72	52	38	Amgen	1.20	4.8	15	52	38	38	38	+
73	53	39	Amgen	1.20	4.8	15	53	39	39	39	+
74	54	40	Amgen	1.20	4.8	15	54	40	40	40	+
75	55	41	Amgen	1.20	4.8	15	55	41	41	41	+
76	56	42	Amgen	1.20	4.8	15	56	42	42	42	+
77	57	43	Amgen	1.20	4.8	15	57	43	43	43	+
78	58	44	Amgen	1.20	4.8	15	58	44	44	44	+
79	59	45	Amgen	1.20	4.8	15	59	45	45	45	+
80	60	46	Amgen	1.20	4.8	15	60	46	46	46	+
81	61	47	Amgen	1.20	4.8	15	61	47	47	47	+
82	62	48	Amgen	1.20	4.8	15	62	48	48	48	+
83	63	49	Amgen	1.20	4.8	15	63	49	49	49	+
84	64	50	Amgen	1.20	4.8	15	64	50	50	50	+
85	65	51	Amgen	1.20	4.8	15	65	51	51	51	+
86	66	52	Amgen	1.20	4.8	15	66	52	52	52	+
87	67	53	Amgen	1.20	4.8	15	67	53	53	53	+
88	68	54	Amgen	1.20	4.8	15	68	54	54	54	+
89	69	55	Amgen	1.20	4.8	15	69	55	55	55	+
90	70	56	Amgen	1.20	4.8	15	70	56	56	56	+
91	71	57	Amgen	1.20	4.8	15	71	57	57	57	+
92	72	58	Amgen	1.20	4.8	15	72	58	58	58	+
93	73	59	Amgen	1.20	4.8	15	73	59	59	59	+
94	74	60	Amgen	1.20	4.8	15	74	60	60	60	+
95	75	61	Amgen	1.20	4.8	15	75	61	61	61	+
96	76	62	Amgen	1.20	4.8	15	76	62	62	62	+
97	77	63	Amgen	1.20	4.8	15	77	63	63	63	+
98	78	64	Amgen	1.20	4.8	15	78	64	64	64	+
99	79	65	Amgen	1.20	4.8	15	79	65	65	65	+
100	80	66	Amgen	1.20	4.8	15	80	66	66	66	+

12 Month	High	Low	Stock	Div	Yld	PE	52 Week	High	Low	PA	Chg
101	81	67	Amgen	1.20	4.8	15	81	67	67	67	+
102	82	68	Amgen	1.20	4.8	15	82	68	68	68	+
103	83	69	Amgen	1.20	4.8	15	83	69	69	69	+
104	84	70	Amgen	1.20	4.8	15	84	70	70	70	+
105	85	71	Amgen	1.20	4.8	15	85	71	71	71	+
106	86	72	Amgen	1.20	4.8	15	86	72	72	72	+
107	87	73	Amgen	1.20	4.8	15	87	73	73	73	+
108	88	74	Amgen	1.20	4.8	15	88	74	74	74	+
109	89	75	Amgen	1.20	4.8	15	89	75	75	75	+
110	90	76	Amgen	1.20	4.8	15	90	76	76	76	+
111	91	77	Amgen	1.20	4.8	15	91	77	77	77	+
112	92	78	Amgen	1.20	4.8	15	92	78	78	78	+
113	93	79	Amgen	1.20	4.8	15	93	79	79	79	+
114	94	80	Amgen	1.20	4.8	15	94	80	80	80	+
115	95	81	Amgen	1.20	4.8	15	95	81	81	81	+
116	96	82	Amgen	1.20	4.8	15	96	82	82	82	+
117	97	83	Amgen	1.20	4.8	15	97	83	83	83	+
118	98	84	Amgen	1.20	4.8	15	98	84	84	84	+
119	99	85	Amgen	1.20	4.8	15	99	85	85	85	+
120	100	86	Amgen	1.20	4.8	15	100	86	86	86	+
121	101	87	Amgen	1.20	4.8	15	101	87	87	87	+
122	102	88	Amgen	1.20	4.8	15	102	88	88	88	+
123	103	89	Amgen	1.20	4.8	15	103	89	89	89	+
124	104	90	Amgen	1.20	4.8	15	104	90	90	90	+
125	105	91	Amgen	1.20	4.8	15	105	91	91	91	+
126	106	92	Amgen	1.20	4.8	15	106	92	92	92	+
127	107	93	Amgen	1.20	4.8	15	107	93	93	93	+
128	108	94	Amgen	1.20	4.8	15	108	94	94	94	+
129	109	95	Amgen	1.20	4.8	15	109	95	95	95	+
130	110	96	Amgen	1.20	4.8	15	110	96	96	96	+
131	111	97	Amgen	1.20	4.8	15	111	97	97	97	+
132	112	98	Amgen	1.20	4.8	15	112	98	98	98	+
133	113	99	Amgen	1.20	4.8	15	113	99	99	99	+
134	114	100	Amgen	1.20	4.8	15	114	100	100	100	+
135	115	101	Amgen	1.20	4.8	15	115	101	101	101	+
136	116	102	Amgen	1.20	4.8	15	116	102	102	102	+
137	117	103	Amgen	1.20	4.8	15	117	103	103	103	+
138	118	104	Amgen	1.20	4.8	15	118	104	104	104	+
139	119	105	Amgen	1.20	4.8	15	119	105	105	105	+
140	120	106	Amgen	1.20	4.8	15	120	106	106	106	+
141	121	107	Amgen	1.20	4.8	15	121	107	107	107	+
142	122	108	Amgen	1.20	4.8	15	122	108	108	108	+
143	123	109	Amgen	1.20	4.8	15	123	109	109	109	+
144	124	110	Amgen	1.20	4.8	15	124	110	110	110	+
145	125	111	Amgen	1.20	4.8	15	125	111	111	111	+
146	126	112	Amgen	1.20	4.8	15	126	112	112	112	+
147	127	113	Amgen	1.20	4.8	15	127	113	113	113	+
148	128	114	Amgen	1.20	4.8	15	128	114	114	114	+
149	129	115	Amgen	1.20	4.8	15	129	115	115	115	+
150	130	116	Amgen	1.20	4.8	15	130	116	116	116	+
151	131	117	Amgen	1.20	4.8	15	131	117	117	117	+
152	132	118	Amgen	1.20	4.8	15	132	118	118	118	+
153	133	119	Amgen	1.20	4.8	15	133	119	119	119	+
154	134	120	Amgen	1.20	4.8	15	134	120	120	120	+
155	135	121	Amgen	1.20	4.8	15	135	121	121	121	+
156	136	122	Amgen	1.20	4.8	15	136	122	122	122	+
157	137	123	Amgen	1.20	4.8	15	137	123	123	123	+
158	138	124	Amgen	1.20	4.8	15	138	124	124	124	+
159	139	125	Amgen	1.20	4.8	15	139	125	125	125	+
160	140	126	Amgen	1.20	4.8	15	140	126	126	126	+
161	141	127	Amgen	1.20	4.8	15	141	127	127	127	+
162	142	128	Amgen	1.20	4.8	15	142	128	128	128	+
163	143	129	Amgen	1.20	4.8	15	143	129	129	129	+
164	144	130	Amgen	1.20	4.8	15	144	130	130	130	+
165	145	131	Amgen	1.20	4.8	15	145	131	131	131	+
166	146	132	Amgen	1.20	4.8	15	146	132	132	132	+
167	147	133	Amgen	1.20	4.8	15	147	133	133	133	+
168	148	134	Amgen	1.20	4.8	15	148	134	134	134	+
169	149	135	Amgen	1.20	4.8	15	149	135	135	135	+
170	150	136	Amgen	1.20	4.8	15	150	136	136	136	+
171	151	137	Amgen	1.20	4.8	15	151	137	137	137	+
172	152	138	Amgen	1.20	4.8	15	152	138	138	138	+
173	153	139	Amgen	1.20	4.8	15	153	139	139	139	+
174	154	140	Amgen	1.20	4.8	15	154	140	140	140	+
175	155	141	Amgen	1.20	4.8	15	155	141	141	141	+
176	156	142	Amgen	1.20	4.8	15	156	142	142	142	+
177	157	143	Amgen	1.20	4.8	15	157	143	143	143	+
178	158	144	Amgen	1.20	4.8	15	158	144	144	144	+
179	159	145	Amgen	1.20	4.8	15	159	145	145	145	+
180	160	146	Amgen	1.20	4.8	15	160	146	146	146	+
181	161	147	Amgen	1.20	4.8	15	161	147	147	147	+
182	162	148	Amgen	1.20	4.8	15	162	148	148	148	+
183	163	149	Amgen	1.20	4.8	15	163	149	149	149	+
184	164	150	Amgen	1.20	4.8	15	164	150	150	150	+
185	165	151	Amgen	1.20	4.8	15	165	151	151	151	+
186	166	152	Amgen	1.20	4.8	15	166	152	152	152	+
187	167	153	Amgen	1.20	4.8	15	167	153	153	153	+
188	168	154	Amgen	1.20	4.8	15	168	154	154	154	+
189	169	155	Amgen	1.20	4.8	15	169	155	155	155	+
190	170	156	Amgen	1.20	4.8	15	170	156	156	156	+
191	171	157	Amgen	1.20	4.8	15	171	157	157	157	+
192	172	158	Amgen	1.20	4.8	15	172	158	158	158	+
193	173	159	Amgen	1.20	4.8	15	173	159	159	159	+
194	174	160	Amgen	1.20	4.8	15	174	160	160	160	+
195	175	161	Amgen	1.20	4.8	15	175	161	161	161	+
196	176	162	Amgen	1.20	4.8	15	176	162	162	162	+
197	177	163	Amgen	1.20	4.8	15	177	163	163	163	+
198	178	164	Amgen	1.20	4.8	15	178	164	164	164	+
199	179	165	Amgen	1.20	4.8	15	179	165	165	165	+
200	180	166	Amgen	1.20	4.8	15	180	166	166	166	+
201	181	167	Amgen	1.20	4.8	15	181	167	167	167	+
202	182	168	Amgen	1.20	4.8	15	182	168	168	168	+
203	183	169	Amgen	1.20	4.8	15	183	169	169	169	+
204	184	170	Amgen	1.20	4.8	15	184	170	170	170	+
205	185	171	Amgen	1.20	4.8	15	185	171	171	171	+
206	186	172	Amgen	1.20	4.8	15	186	172	172	172	+
207	187	173	Amgen	1.20	4.8	15	187	173	173	173	+
208	188	174	Amgen	1.20	4.8	15	188	174	174	174	+
209	189	175	Amgen	1.20	4.8	15	189	175	175	175	+
210	190	176	Amgen	1.20	4.8	15	190	176	176	176	+
211	191	177	Amgen	1.20	4.8	15	191	177	177	177	+
212	192	178	Amgen	1.20	4.8	15	192	178	178	178	+
213	193	179	Amgen	1.20	4.8	15	193	179	179	179	+
214	194	180	Amgen	1.20	4.8	15	194	180	180	180	+
215	195	181	Amgen	1.20	4.8	15	195	181	181	181	+
216	196	182	Amgen	1.20	4.8	15	196	182	182	182	+
217	197	183	Amgen	1.20	4.8	15	197	183	183	183	+
218	198	184	Amgen	1.20	4.8	15	198	184	184	184	+
219	199	185	Amgen	1.20	4.8	15	199	185	185	185	+
220	200	186	Amgen	1.20	4.8	15	200	186	186	186	+
221	201	187	Amgen	1.20	4.8	15	201	187	187	187	+
222	202	188	Amgen	1.20	4.8	15	202	188	188	188	+
223	203	189	Amgen	1.20	4.8	15	203	189	189	189	+
224	204	190	Amgen	1.20	4.8	15	204	190	190	190	+
225	205	191	Amgen	1.20	4.8	15	205	191	191	191	+
226	206	192	Amgen	1.20	4.8	15	206	192	192	192	+
227	207	193	Amgen	1.20	4.8	15	207	193	193	193	+
228	208	194	Amgen	1.20	4.8	15	208	194	194	194	+
229	209	195	Amgen	1.20	4.8	15	209	195	195	195	+
230	210	196	Amgen	1.20	4.8	15	210	196	196	196	



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## SPORTS

# Horse Racing Loses A Leading Stable

## Klein Sells Off 114 Thoroughbreds, Including Kentucky Derby Champion

Compiled by Our Staff From Dispatches

LEXINGTON, Kentucky — Eugene Klein said goodbye to his great ladies and farewell to thoroughbred racing at Keeneland's November Breeding Stock sale.

Klein, who has won three Eclipse awards as the leading owner in the United States during his seven years of racing, sold 114 horses for \$29.6 million at the prestigious auction on Monday.

Among the horses to go into the sales ring were Winning Colors, the 1988 Kentucky Derby champion; Lady's Secret, the 1986 horse of the year; and Open Mind, the 1989 three-year-old filly leader.

Klein, 69, is the former owner of the San Diego Chargers of the National Football League. He once sold used cars on television as "Cowboy Gene," saying that they were "cheaper by the pound than hamburger."

In 1982, after Klein's wife, Joyce, decided to own a couple of modest horses in partnership with some friends, Klein hired Wayne Lukas as his trainer and they began invading Kentucky's richest horse sales with money in both fists.

Lukas would eyeball the prospects, and Klein would write the checks. Klein spent an estimated \$40 million on bloodstock, but two years ago he began backing off at the sales and last June announced that he was leaving the business.

He said that he was burned out and had not had a vacation since he joined the U.S. Air Force the day after the Japanese attack at Pearl Harbor in 1941.

"This has been building up for quite some time since I made the decision to get out to take a sabbatical and take a couple of years off," he told reporters after the final horse was sold. "It really felt good."

Klein sat in the rear in the sales pavilion dressed casually in a red, white and blue polo shirt, jeans and white jogging shoes.

He showed little emotion during the 4 hours, 15 minutes that his stock was paraded in front of prospective buyers, except to occasionally bend forward to speak to Lukas or to his wife beside him.

"I know some very excellent peo-

ple bought the horses, and I'll be following their career and be rooting for them," Klein said. "I hope their babies produce and they produce. I was very happy with it all."

Open Mind, who has lost three consecutive races after a 10-race winning streak and placed third in the Breeders' Cup Distaff on Saturday at Gulfstream Park in Hallandale, Florida, brought the top price of \$4.6 million from Kazuo Nakamura, a Japanese breeder. Lukas said after the sale that he will continue to train Open Mind for her new owner.

Winning Colors, who has won only two of 12 starts since her 1988 Derby victory and who finished next to last in the Breeders' Cup Distaff, was sold for \$4.1 million to Graham J. Beck, a millionaire from South Africa, and an unnamed American partner. Beck has bought four horses from the Lexington area since 1987. The partner is believed to be Peter Brant, a Connecticut publisher and paper mill owner who has substantial racing and breeding interests.

Lady's Secret, who retired with \$3 million in earnings, a record for a female, was sold for \$3.8 million to Issam Fares, a Lebanese-born businessman who owns a 380-acre breeding farm near Lexington.

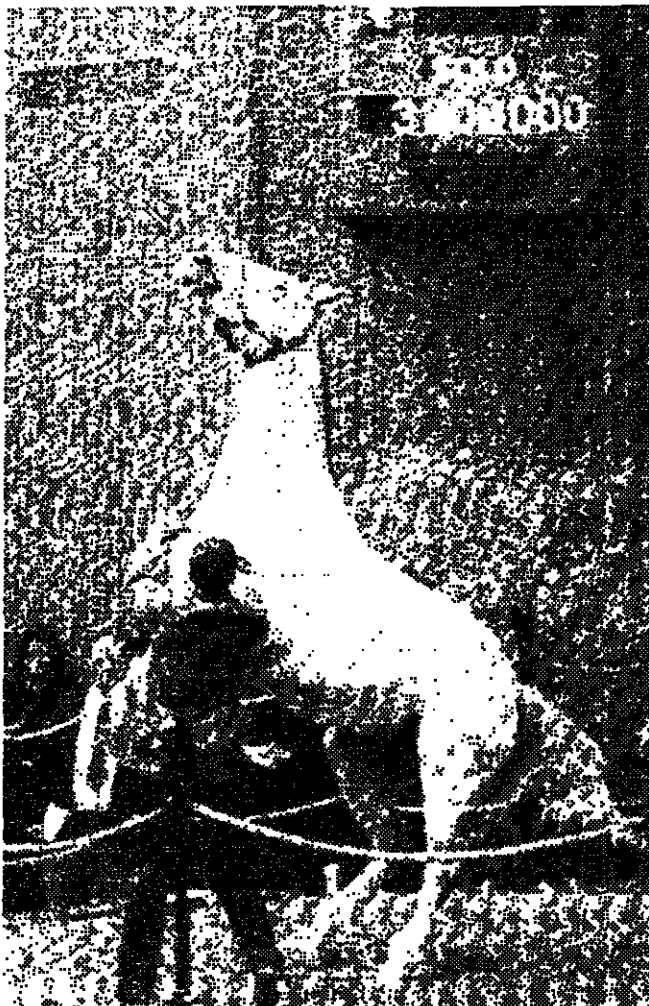
Klein wasn't surprised by the bidding. "I would have thought that Open Mind would have brought more because she can run as a four-year-old and she could win a couple of million dollars as a four-year-old and end up the leading money-winning distaff," he said.

Klein also had hoped to sell five-year-old sprinter On The Line, but the horse was injured in the Breeders' Cup Sprint. He plans to sell the horse privately.

When Regal Colt was sold for \$37,000 to end Klein's dispersal, there was applause from the crowd. Klein waved back.

Lukas left the pavilion before the final four horses were sold.

"I didn't think I would get emotional when they were selling, but as soon as it was over, I jammed up a little bit," he said at the stable area. "The big mares represented so much of our program. You're



Lady's Secret, 1986 Horse of the Year, rearing during her sale by Eugene Klein for \$3.8 million. Two of Klein's horses sold for more.

with them day in and day out — you get attached to them and get a feeling of what they mean to you and what they've meant to you over the past few years."

Klein credited Lukas with being "the backbone and brains behind the entire operation. It was through his efforts and his program that we were able to be as successful as we were."

Lukas didn't take all the credit, saying that Klein has "been good to the game. He's open and aggressive, and he's really good for thoroughbred racing."

Klein showed the thoroughbred industry that an owner can "get aggressive, go in with a lot of gusto, and you can be there on Saturday afternoon and better yet, show a profit when you're ready to leave," Lukas said.

Klein has estimated that his horses won more than \$25 million in purses. In 1986, Klein's horses broke the record for annual earnings with a total of \$3.6 million, and the following year he shattered his own record with a total of \$5.7 million.

Asked if he made money over the seven years, he said, "I think so, if I discount what my wife's bet." But Klein's profit is probably modest, since training expenses for his coast-to-coast stable sometimes reached \$300,000 a month. Klein once said that it cost him \$1 million a year just to fly his horses to their races.

Klein, who acquired control of the San Diego Chargers in 1966 and sold the NFL franchise in 1984, rated Winning Colors' Derby victory as his biggest thrill in sports.

"I never won a Super Bowl so I can't relate to it," he said. "But one of 28 teams is going to win the Super Bowl every year, but only one of 50,000 foals can win the Kentucky Derby."

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# Maradona, and Soccer, Need Controls

International Herald Tribune

LONDON — Diego Armando Maradona, whose attendance record at important engagements has been less than 50-50 of late, on Tuesday made it to the church on time. There were some who worried when soccer's errant genius arrived at the Rome airport on Monday 50 minutes late for the hired Boeing 747 that was taking his 200 Italian guests to his wedding ceremony in Buenos Aires.

They, and 1,000 Argentinians, including President Carlos Saul Menem, finally witnessed a performance that Maradona promised years ago to Pope John Paul II.

Soccer idols are such busy people, with never a break to fit in the normalities of life. But Maradona gave his word, and he, his girlfriend, Claudia Villafra, and their two daughters are now family in the eyes of Rome.

It may be too much to hope that, at 29, he will return with a more controlled marriage of talent and reason.

Tribunals are lined up to try him. Italy's tax inspectors are investigating his millions, and the father of a 15-year-old Naples boy who was allegedly punched by Maradona is seeking retribution either in kind or in court.

The Italian soccer federation extracted \$7,500 from Maradona for insults he made about a referee and is still angry at his month-long inactivity at the start of this season.

Napoli forgave its star, but he was missing again last week before a game, and his precious medals also disappeared from a Naples bank vault.

Could it all be a conspiracy against the Argentinian World Cup captain? His mind seems as confused as those defenders he baffles en route to the goal.

Officialdom is to blame. As a boy in Buenos Aires, he learned how grown men will lie, cheat and pay under the counter for his talent.

He has known forever that opponents will rearrange his anatomy on their boots to prevent his artistry. And he regularly feels the needle of that most iniquitous drug, the painkiller, injected by men who couldn't care less about what it does to his future so long as he plays through injury.

His is a calloused world, and it is miraculous that he sometimes still is child enough to chase fantasy goals for us.

Maradona is also the symbol of how soccer has strayed out of control. He recently repeated his infamous hand-of-God goal, scored with the first instead of the head in the 1986 World Cup.

FIFA, the international soccer authority, then washed him with adulation. Maradona, it declared, was "the perfect football professional... crowned with exemplary fairness."



Maradona (upper left) and Claudia Villafra (lower right) in Buenos Aires.

He might have benefited from discipline rather than sycophancy. And rules might not be so hard to uphold had the superstar been put in his place.

Instead, soccer rushes towards the precipice. So many more players are abusing authority now that Sepp Blatter, FIFA's general secretary, writes: "Football is burning, and FIFA has been pushed into the role of fireman."

Blatter accuses Chile's goalkeeper, Roberto Rojas, of "the biggest attempt at swindle in the history of FIFA" by faking an injury when a rocket flare landed near Rojas during a Sept. 3 World Cup qualifier in Brazil.

Rojas apparently admitted to FIFA that he feigned the injury and has been banned from all soccer for three months, and from international soccer for life.

Chile has been fined 50,000 Swiss francs (\$80,000) for refusing to complete the match but, as Blatter warns, Rojas was not alone in his villainy. His accomplices, indeed the Chilean soccer federation, must be barred from at least the next World Cup.

That, after all, was the punishment for Mexico from this World Cup after it was found guilty of faking injury players at a tournament that had nothing to do with senior professionals whose livelihoods were affected by the disqualification.

That the sport should also absorb so much

of society's violence is hardly FIFA's fault. Yet authority has to clean that up, too. A ban of a year plus heavy fines to players who spit at referees — notably Mehmed Bazdarevic of the Yugoslav World Cup team — have begun to show that FIFA has the stomach to fight for decent values.

The fight will be long. Even some aristocrats are losing their manners. Real Madrid's president, Ramon Mendoza, complained that his team lost to Milan in the European Cup because an "unfair decision had falsified the match."

He meant that a penalty that put Milan ahead, 2-0, in the first leg. Unfair? Madrid's goalie, Francisco Buayo, had chopped down Marco Van Basten with both legs, cynically and deliberately, to prevent a near-certain goal.

Buayo thought he had judged his mischief to perfection, fouling just beyond his penalty box. The referee gave a "moral" penalty.

FIFA's rules make no such allowance for a moral penalty. Perhaps they should. Until they do, the likes of Buayo will cheat with impunity.

□

Buayo's violence, and that which earned a disgraceful total of 15 yellow cards and one red in the two games between what are supposed to be two of Europe's finest teams, was calculated.

In England last Saturday came an equally grave crime of passion. At the London stadium of Arsenal, a traditional home of soccer for a century, two entire teams brawled like ice hockey hoodlums.

The fight came in the last minute after Arsenal had scored its second penalty to beat Norwich, 4-3. So many fists flailed, so many criminal assaults were perpetrated that the police, mindful of the threat to public order, intervened.

Yet English officials don't seem to cover up the fracas. Managers wouldn't comment, players were ordered to keep silent, the referee declined to report it and the English soccer federation suggested that without a referee's report there was nothing to investigate.

Unfortunately, the brawl was viewed as it happened on a television broadcast to 30 overseas countries.

So, following a press outcry, the British Football Association will after all charge the teams with bringing soccer into disrepute, and the referee is to say what he saw. "What was I supposed to do?" he asked. "Show yellow cards to all 21 players?"

Actually, for violent conduct, the rules indicate sending them off. To expel so many might bring ridicule to the sport, but if players assume there is safety in numbers, the end result could be anarchy.

Send them off and, as FIFA has belatedly started doing, punish them in their wallets until sanity and (forgive an old-fashioned word) sportsmanship is restored.

Rob Hughes is on the staff of the Sunday Times.

## BOOKS

### FIORIELLO H. LA GUARDIA AND THE MAKING OF MODERN NEW YORK

By Thomas Kessner. Illustrated. 700 pages. \$24.95. McGraw-Hill Book Co., 11 West 19th Street, New York, N.Y. 10011.

Reviewed by Herbert Mitgang

FIORIELLO H. La Guardia was sworn in as mayor of New York City

55 years ago. Ever since, mayoralty candidates have invoked his name.

Offhand, New Yorkers remember him for reading the comics over the city's radio station and as the subject of the musical "Fiorello!"

In a definitive 700-page biography, Thomas Kessner, professor of history at the City University's Graduate Center and at Kingsborough Community College, now goes below the surface of La Guardia as legend.

There have been several solid biographies before this one, including Arthur Mann's "La Guardia: A Fighter Against His Times." But even oldtimers will gain new knowledge about his life and dreams (for example, of becoming vice president or even president of the United States) in "Fiorello H. La Guardia and the Making of Modern New York."

Kessner, who was the first director of the La Guardia Archives at La Guardia Community College in Queens, has a wealth of facts at his command and allows them to pile up, sometimes making the same point more than once. But his book is a valuable and readable research tool precisely because it is so carefully documented. Furthermore, he brings information hitherto unavailable, including newly released FBI, State Department and army documents.

If this biography also reads like a valentine, the facts presented here show that

La Guardia deserves one. He was dedicated to helping New York's downtrodden; he improved the city with new roads, bridges, parks and airports; he milked Albany and Washington as no mayor had before for the sake of his constituents and his ambitious programs, and he helped set an anti-fascist and anti-Nazi tone as a national personality before the United States entered World War II.

He did all this in the middle of the Depression after an era of corruption that was exposed by Judge Samuel Seabury in three investigations that led right to Mayor James J. Walker, who was on the take. Walker was known as Bean James and the Night Mayor of New York because, unlike La Guardia, he chased chorus girls, not fires.

La Guardia, a progressive Republican in a Democratic city, was chosen by reform elements because he was honest; had a reputation as a fighting liberal going back to his early years as a congressman and was a formidable candidate.

The ethnic face of the city didn't trouble La Guardia. He thrived on diversity because he had a mixture of backgrounds and religions himself. Not everyone knew then that the flamboyant man from East Harlem was part Italian and part Jewish (his mother's maiden name was Luzzatto-Coen and she gave her religion

as Israelite), that he had once been enrolled in an Episcopal church, that he married his first wife in a Roman Catholic ceremony and later, as a widower, married his second wife in a Lutheran ceremony.

The scholarly biography is filled with good stories, including how La Guardia Airfield came into existence.

In 1934, he had taken a flight from Chicago to New York. The plane landed at the nearest airport — Newark. La Guardia pointed out that his ticket read "Chicago to New York." He insisted on being flown to New York. An empty airplane except for one passenger then shuttled him to Floyd Bennett Field, a small airport in Brooklyn. Thereafter, he promoted a favorite project, a modern airport for his city. Critics called it "Fiorello's Folly," but he got Washington to pay for more than half of it.

His many accomplishments are lovingly detailed in "Fiorello H. La Guardia and the Making of Modern New York." Not least, Kessner notes, La Guardia handled the city's diverse "ethnic and racial tensions with reasonableness and a broad sympathy for its marginal populations." Above all, the Little Flower inspired New York.

Herbert Mitgang is on the staff of The New York Times.

### JUMBLE. THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DEYNE

CUNDE

LIFUT

EMORCH

Answer here: \_\_\_\_\_

Yesterday's Answer: "Is a good drummer?" — "SO IT SEEMS"

### BEST SELLERS

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

THE NEW YORK TIMES

FICTION

1 THE DARK HALF, by Stephen King 1

2 CLEAR AND PRESENT DANGER, by Tom Clancy 10

3 FOUCAULT'S PENDULUM, by Michel Foucault 4

4 THE PILLARS OF FIRE, by Ken Follet 2

5 JIMMY STEWART AND HIS POEMS, by Jimmy Stewart 23

6 TALKS FROM MARGARET TAVELLE, by Jimmy Stewart 3

7 CALIFORNIA GOLD, by John Lahr 5

8 OLDEST LIVING CONFEDERATE WIDOW TELLS ALL, by Allan Gurant 8

9 POODLE SPRINGS, by Raymond Chandler and Robert B. Parker 10

10 THE MINOTAUR, by Stephen Coonts 8

11 SOME CAX WHISTLE, by Larry McMurtry 11

12 THE LOST YEARS, by J.M. Dillard 7

13 THE JOY LUCK CLUB, by Amy Tan 9

14 JOSHUA AND THE CHILDREN, by Joseph F. Gerson 15

15 SILENT PARTNER, by Johnathan Kellerman 14

NONFICTION

1 ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum 1

2 IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum 2

3 ROSEANNE, by Roseanne Barr 3

4 AMONG SCHOOLCHILDREN, by Tracy Kidder 4

5 CONFESSIONS OF AN S.O.B., by Al Neuharth 7

6 I WANT TO GROW HAIR, I WANT TO GROW UP, I WANT TO GO TO BOISE, by Erma Bombeck 8

7 A BRIEF HISTORY OF TIME, by Stephen W. Hawking 8

8 MY TURN, by Nancy Reagan with William Novak 5

9 IT'S ALWAYS SOMETHING, by Gilda Radner 9

10 THE WRITING LIFE, by Annie Dillard 9

11 FROM BEIRUT TO JERUSALEM, by Thomas L. Friedman 11

12 THE CONTROL OF NATURE, by John McPhee 12

13 80, by Bo Schmeddeler 14

14 LOVE'S EXECUTIONER, by Irvin D. Yalom 7

15 EDUCATION OF A WANDERING MAN, by Louis L'Amour 3

ADVICE, HOW-TO & MISCELLANEOUS

1 WEALTH WITHOUT RISK, by Charles J. Givens 1

2 THE T-FACTOR DIET, by Marvin Karah 2

3 LIGHT HIS FIRE, by Ellen Kreidman 2

4 MARTHA STEWART'S CHRISTMAS, by Martha Stewart 1

5 TOXIC PARENTS, by Susan Forward with Craig Buck 3

### PEANUTS



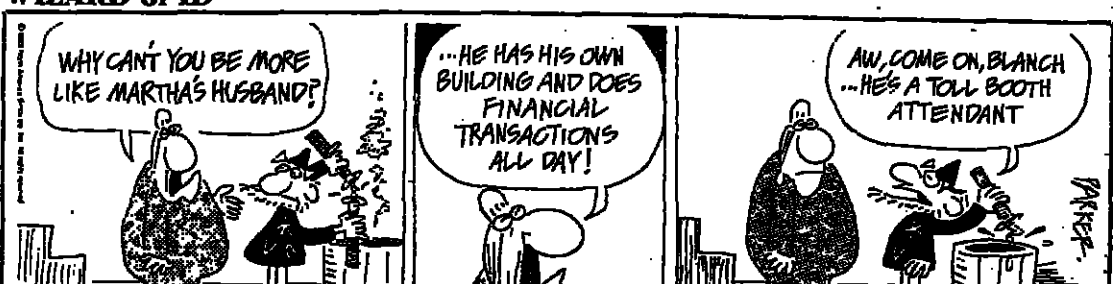
### BEEBLE BAILEY



### ANDY CAPP



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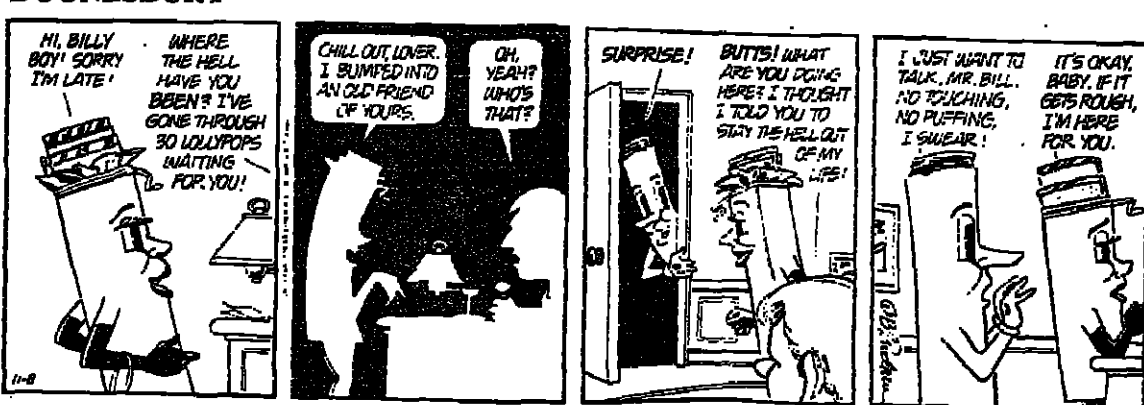
### REX MORGAN



### GARFIELD



### DOONESBURY





## SPORTS

Weaver Back to Old Tricks  
In Senior League Baseball

The Associated Press

POMPANO BEACH, Florida — It took the tempestuous Earl Weaver less than a week to be ejected from a Senior League baseball game.

Weaver, who received 96 ejections as a major league manager, was kicked out Sunday during an arm-flailing, in-your-face argument with first-base umpire Barry Sholman.

Weaver is manager of the new league's Gold Coast Stars, who lost the game 6-3 to West Palm Beach, dropping their record to 0-5.

"We've played five out of 72," Weaver said. "I might get thrown out of the next 67."

"These umpires are high school rejects," he said. "The league went for the cheapest umpiring association. There should be no league if this continues."

"We have retired major-league umpires in the area," he said. "At least they know what a balk and a half-swing are."

A dispute over those two calls led to Weaver's ejection Sunday. Rick Horrow, president of the new league, said its umpires are from the Gulf Coast Umpires Association.

"I assure you, they are the best available," Horrow said. "All the umpires have at least 15 years of experience, and the average umpire has five years in the minor leagues and in major league spring training."

The Senior League, whose players are mostly former major leaguers aged 35 and older, began last week.

## Orlando Plays David to New York's Goliath for NBA Victory

By Clifton Brown

New York Times Service

ORLANDO, Florida — The New York Knicks made history Monday night, but it was not the kind they might have wished to make.

As a sellout crowd of 15,077 watched, the Orlando Magic, one of two new additions to the National Basketball Association, won its first regular-season NBA game, 118-110, at Orlando Arena.

The Magic and the Orlando fans were elated. The Knicks were embarrassed, but there was little doubt that they were outplayed and deserved to lose.

"They wanted the game a little more than we did," said Stu Jackson, the Knicks' coach. "We gave up way too many layups."

After the game, Magic players and coaches hugged while the fans danced in the aisles.

The Miami Heat lost its first 17 games as an expansion team last season, and Orlando did not want to have an equally disastrous start.

Now, after winning in just its second game, and against a playoff

team from last year, Orlando is excited about its season.

"I feel great for the players, the owners, Pat Williams our general manager, and everyone else who worked so hard for three and a half years," said Matt Cooke, the Orlando coach. "It's a momentous occasion for the franchise."

The Knicks (1-2) are still playing the inconsistent basketball they displayed in the preseason, and this game magnified their problems.

They had careless turnovers; their shot selection was poor, and they are still not comfortable playing the half-court offensive and defensive game that their new coach feels they must learn.

With the score tied, 94-94, in the fourth quarter, Orlando went on a 7-0 run to take control.

Reggie Theus, who led Orlando with 24 points, started the run by hitting a free throw, then followed that with a jump shot from the perimeter.

After the Knicks' Gerald Wilkins forced a bad shot, Jerry Reynolds' dunk put Orlando ahead, 99-94.

After Wilkins traveled on New

York's next possession, Terry Catledge scored on a turnaround jump shot, giving Orlando a 101-94 lead with 5:30 remaining.

The Knicks had gone to their full-court pressing defense early in the third quarter. Occasionally, the pressure caused a Magic turnover, but more often, the Magic broke the press and got high-percentage shots at the other end.

New York pulled to 110-107 with 23 seconds left, but Scott Skiles found Theus all alone for a layup behind the Knicks' press. Johnny Newman grabbed Theus and fouled him, and Jack Niles, the referee, called a breakdown foul, meaning that the Magic not only were given two free throws but also kept possession of the ball.

Theus made both free throws. Orlando outrebounded New York, 34-40, which was the decisive statistic. Catledge had 19 points and 11 rebounds for the Magic.

Patrick Ewing, the Knicks' center, rarely touched the ball on offense for long stretches in the second half. He finished with a game-high 29 points.



On the bench of the Orlando Magic, celebration erupted in the closing seconds against the Knicks.

## Montana Back, 49ers Roll Over Saints

The Associated Press

SAN FRANCISCO — Joe Montana returned sharper than ever from an injury layoff, throwing for three touchdowns and running for another as the San Francisco 49ers rolled over the New Orleans Saints, 31-13, Monday night.

Montana found a familiar target, Jerry Rice, for two TDs and John Taylor for a third. Montana raced



Toi Cook of the New Orleans Saints is pulled down by the 49ers Mike Wilson Monday night. The loss dropped the Saints to 4-5.

## PRO FOOTBALL

around right end for the three-yard clincher in the fourth period. He also managed to escape unscathed from the Saints' aggressive defense, which had recorded 17 sacks in the previous three weeks.

New Orleans (4-5) fell victim to three Montana touchdown passes for the second time in five weeks. It had won three straight games in the interim, but this defeat dealt a severe blow to its playoff hopes.

When the 49ers, tied for the National Football League's best record at 8-1, reached the eight-victory mark Monday, it was four weeks earlier than last year when they went on to win the Super Bowl.

Montana had played only one half in the previous three games, and not at all since being carried off the field on a stretcher in the second quarter of an Oct. 22 victory over the New England Patriots with a sprained left knee. But the NFL's top-rated quarterback dispelled any notion he might be rusty

or ailing by going 16-for-19 for 223 yards in a brilliant first half, and finishing 22-for-31 for 302 yards.

San Francisco started fast with impressive touchdown drives of 78 and 85 yards the first two times it had the ball.

Rice had the first score, catching Montana's short pass over the mid-

dle on the 22 and slipping three yards en route to the end zone.

The Saints tied late in the first quarter on Dalton Hilliard's one-yard burst over the middle. Then San Francisco took charge for good with 10:31 left in the half when Montana connected on all seven of his throws, punctuating the drive

with a 14-yard bullet to Rice at the 2 and then a short flip to his favorite receiver on the right side for the score.

The touchdowns gave Rice two club records: 60 touchdown receptions, one more than Gene Washington, and 64 touchdowns, two more than teammate Roger Craig.

Morton Andersen's first of two field goals, a 39-yarder, cut it to 14-10. But Montana directed an incisive drive in the final two minutes of the half, taking the team 85 yards in six plays. On a first down in the New Orleans 45, Taylor took his pass over the middle, broke two tackles and dragged safety Dave Wayne the final four yards, stretching his right hand with the ball into the end zone to make it 21-10.

Andersen and Mike Cofer traded field goals, and then Montana capped the scoring with 6:35 left in the game by racing around the right end for a touchdown.

The Saints' quarterback, Bobby Hebert, threw two second-half interceptions. He was 20-for-33 for 183 yards.

The victory ensured that San Francisco, which won a league-high three Super Bowls in the 1980s, also will have the best record of any team this decade. Washington and Miami narrowly trailed the 49ers in that category going into the season, but the Redskins' upset loss to Dallas on Sunday eliminated the final contender.

## NFL Player Union Tells Owners It Will Disband

The Associated Press

WASHINGTON — The National Football League Player Union, the NFL Players Association, has informed the league that it plans to disband because of a court decision that upheld the NFL's free agency system and invalidated the union's antitrust suit.

John Jones, a spokesman for the NFL Management Council, which represents team owners, confirmed that the league had received a letter from Gene Upshaw, the union's executive director, stating the union's intention.

Doug Allen, the union's assistant executive director, confirmed that a letter was sent.

A federal appeals court last week

ruled that NFL owners were not in violation of antitrust laws simply because of an impasse in negotiations between the union and management. In effect, that decision negated the union's antitrust suit against the league.

On the day of the decision, the union said it was considering either appealing to the full nine-judge appeals court panel or the U.S. Supreme Court. It also suggested that it would consider decertification of the union.

"This decision appears to say that as long as there is an ongoing relationship between players and the league, players can't challenge restrictions, as there was in the past," a union spokesman said.

The latest letter to owners said:

"We did not form our union to allow you to illegally restrain trade in the market for player services. The players would rather protect their rights as independent contractors than to subject themselves to the monopolistic whims of the NFL and its clubs."

The players reportedly have to vote on the union's decertification. According to an article in the Boston Globe, the union assumes that once decertification is complete, every player would become a free agent at the end of his present contract, rendering illegal the college draft, the waiver system and other rules concerning free agency.

However, Jones said that as far as management is concerned, all

the NFL's contract rules would remain in effect, just as they do for any other business.

Jack Dolan, executive director of the Management Council, told the Globe the owners would "have to wait to see how genuine" the decertification move is. "Are they saying this is some new kind of strategy, or do they really mean it? Either way, we will find a way to deal with it."

"None of us would like to see the union go out of business. They certainly wouldn't be doing what is right for their players, who would lose all of their benefits."

If the union folds, the players would lose about \$50,000 a year in health and life insurance and pension benefits.

## SIDELINES

## 'Indy' Speedway Licenses Name

## To Proposed Japanese Track

INDIANAPOLIS (UPI)—The Indianapolis Motor Speedway has agreed to let its trademark name "Indy" be used in Japan and hopes eventually that Indy 500 drivers will compete there.

The speedway said Tuesday it has entered into a license agreement with Kyodo System of Tokyo, which plans to form a corporation named the name Japan Indy Inc. for the purpose of developing a world-class race course in the Tokyo area.

The proposed facility would be named "Japan Indy Motor Speedway." IMS said, and the long-range plan is to feature an annual "Japan Indy" event with cars and drivers who run in the Indy 500.

## NHL's Devils Fire Head Coach,

## Replace Him With Assistant

NEW YORK (NYT)—The New Jersey Devils of the National Hockey League dismissed Jim Schoenfeld as their head coach Monday and replaced him with John Cumfitt, who had joined the team as an assistant coach last May.

Lon Lamoriello, the president and general manager, said the move was made because the Devils, who were 6-6-2, were not headed in the right direction.

"There were inconsistencies in our play and we didn't show any steady improvement," Lamoriello said of the Devils, whose record was a disappointing 27-41-12 last season.

Schoenfeld became the Devils' coach on Jan. 26, 1988, and guided them to the semifinals of the Stanley Cup playoffs that spring.

## Toronto's Moseby and 6 Others

## Are Latest Free Agency Filers

NEW YORK (AP)—Lloyd Moseby, the Toronto Blue Jays' starting center fielder since 1980, filed for free agency Monday and might not return to the Blue Jays.

"It's not over yet," said Moseby's agent, Jim

Nader. "They've told us if he does come back it could be for left field, right field or DH, but it wouldn't be in center."

Also filing Monday were California right-hander Dan Petry, Detroit outfielder Fred Lynn, Cincinnati catcher Bo Diaz, Montreal second baseman Damacio Garcia and pitcher Bob Knepper, and third baseman Ken Oberkell of the National League champion San Francisco Giants.

A total of 75 players have filed and approximately three dozen more are eligible. The deadline to file is Nov. 13. Knepper and Oberkell raise to nine the number of free agents from the Giants, the most on any team. The World Series champion Oakland Athletics, the Boston Red Sox and the Houston Astros are next with six each.

## For the Record

Tickets for the World Cup Soccer qualifier Nov. 19 between the United States and Trinidad-Tobago, which will determine who goes to Italy next year for the finals, were sold out in Port of Spain, Trinidad, on Monday two hours after ticket booths opened.

John McEwen has joined Brad Gilbert, Boris Becker, Ivan Lendl and Stefan Edberg in qualifying for the eight-man, season-ending Masters tennis championships to be held in New York beginning the week of Nov. 28.

Alfredo Evangelista, former European heavyweight boxing champion, was arrested Tuesday for possession of cocaine, a police spokesman said in Madrid.

A Finnish syndicate called Sail Finlandia plans to raise \$11.3 million to make the country's first challenge for the America's Cup in 1992, the group announced Tuesday. (Reuters)

## Quotable

"Dan Hampton of the NFL's Chicago Bears, who has already had nine knee operations: 'If you look at the guys who've made a mark on this game, like (Dick) Butkus, (Mike) Ditka and (Ed) O'Brien, you don't walk away, you limp away.' (LAT)

A Bash for Fred Perry  
On His 80th Birthday

BBC Radio Sport held a dinner Monday night in London to mark the 80th birthday of a tennis legend, Fred Perry. The event was attended by the Duke and Duchess of Kent, and on his arrival at Broadcasting House, Perry was greeted by an "honor guard" consisting of Wimbledon ballboys and ballgirls. He was served a cake in the shape of a tennis racket that had a candle for each year he won the Wimbledon men's singles title — 1934, 1935 and 1936.

## SCOREBOARD

## FOOTBALL

## NFL Standings

## AMERICAN CONFERENCE

## East

## Buffalo

## Miami

## Indianapolis

## New England

## N.Y. Jets

## Central

## Cleveland

## Cincinnati

## Houston

## Pittsburgh

## West

## Denver

## L.A. Raiders

## Kansas City

## Seattle

## San Diego

## National Conference

## West

## Minnesota

## Chicago

## Green Bay

## Tampa Bay

## Detroit

## East

## San Francisco

## L.A. Rams

## New Orleans

## Atlanta

## BASKETBALL

## NBA Standings

## Eastern Conference

## Atlantic Division

## New Jersey

## Boston

## Washington

## New York

## Philadelphia

## Milwaukee

## Detroit

## Central Division

## Detroit

## Chicago

## Milwaukee

## St. Louis

## Cleveland

## Western Conference

## Midwest Division

## Utah

## San Antonio

## Houston

## Denver

## Dallas

## Pacific Division

## Portland

## LA Clippers

## Seattle

## Phoenix

## Sacramento

## Golden State

## NHL Leaders

## GOALY LEADERS

## Team totals in bold.

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## PHOENIX—Released Steve Alford, defensive tackle, from physically-unable-to-perform list.

## BRITISH COLUMBIA—Released Filipo Mokaloti, Bernie Giller and Mark Smith, linebackers; Eugene Mingo, defensive tackle; Todd White, wide receiver; Mike Belfer, tight end and Jon Corbett, cornerback; and John Cotten and Jeff Thomas, offensive linemen, from practice roster.

## DETROIT—Released Greg Stetten, goalie, from Adirondack, American Hockey League. Sent Tim Crevier, goalie, to Adirondack.

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